

Government that Works!

New Jersey Department of the Treasury

Local Government Budget Review

TOWNSHIP OF BLOOMFIELD

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JUNE, 1996

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF BLOOMFIELD**

Administration

We suggest the addition of an Assistant Township Administrator in the form of a combined position with the Township Clerk. The additional cost for this action is estimated to be \$5,000.

Personnel

A number of suggestions have been made in this section of the report. They include an increase in employee productivity through a variety of means valued at a savings of \$136,075, the bidding of work items instead of outright payments valued at a savings of \$2,800, the elimination of additional compensation for management personnel which amounts to \$6,088, the elimination of flat overtime payments valued at a savings of \$800, and the elimination of health benefits for specific positions valued at \$323,310.

Also included as a recommendation is the institution of a cap on the maximum terminal leave payout for accrued, but unused sick and vacation time at the time of retirement. This could save approximately \$90,857 based on 1995 expenses.

Insurance

The elimination of the workers' compensation salary supplement would provide greater than \$30,697 in savings based on 1995 cases, alone.

Finance

Daily cash flow records of all accounts should be maintained and aggressive investment practices instituted in order to realize greater investment income of approximately \$165,000.

Tax Collection

The receipt of money owed the Township through eligible foreclosures would amount to approximately \$51,547 in taxes and at least \$148,800 in sale proceeds. We suggest that the training of a current employee to supplement parking enforcement efforts would yield a net revenue increase of at least \$17,345.

Health and Human Services

We suggest the department move forward on its enhanced Lead Program services. This is estimated to provide an additional \$20,000 in revenue from fees.

A suggested 50% self-sufficiency rate for the department would provide approximately \$190,894 in additional revenue.

There are other sources available for the provision of mental health services other than by the Township itself. We believe that there is a potential to save approximately \$90,500 - \$100,500 by utilizing an existing agency with which the Township at one time had a relationship.

Municipal Welfare

We suggest that the Township seek the State's approval to reduce its PATF1 account balance for a one-time revenue of \$28,000 - \$38,000.

We also recommend the re-organization of the Welfare Department under the Board of Health. This would save approximately \$59,615 in salary and benefit costs.

Recreation

A change in the senior citizen bus schedule could save approximately \$1,600 on overtime costs.

Further, we recommend the re-organization of the department to include the transfer of the Parks function from the Department of Public Works to the Recreation Department. This re-organization could result in an estimated savings of \$89,250 through staff reductions and attrition and reductions in overtime due to more direct supervision of employees.

Reaching the goal of having the department be 50% self-sustaining would result in additional revenue of \$229,195, based on 1995 figures.

Municipal Court

The collection of time payments due the court would result in \$58,000 in revenue.

Law

The combination of two Township Attorney positions into one would save approximately \$25,000 in salaries.

Public Works and Engineering

We suggest a major re-organization of this department which could yield approximately \$400,980 in savings.

Should the Township implement a computerized attendance system as was recommended in this report, the timekeeper position could be eliminated for a savings of approximately \$36,187.

Police

The re-organization of the department and reassignment of staff proposed by the team could result in an estimated savings of \$76,163.

The Township should collect the \$6,000 owed for the use of the PACT vehicle.

A reduction in the time off granted for a variety of reasons could result in a savings of at least \$87,250. \$87,527 could be saved if the additional 17 days of leave is eliminated for those working the 5 - 2 schedule. A total of \$363,744 could be saved if the suggested work hour change is made for the entire force. Total savings available, therefore, range from \$87,250 - \$363,744.

The correction of apparent sick leave abuse in the Communications Center could result in at least \$19,624 in savings.

The Township could have saved \$15,072 if it had purchased patrol vehicles instead of acquiring them through a lease/purchase agreement.

Community Development and Inspections

The placement of the Township Engineer as the department head could save approximately \$91,000 in salary and benefits compared to hiring a new manager.

We suggest that the Township increase its fees and fines in this department to reflect actual costs for an increase of approximately \$225,044 in revenue.

INTRODUCTION

Bloomfield is a community of approximately 45,000 residents, encompassing 5.32 square miles. According to the 1990 census, 41% of the population is made up of high school or college graduates, and the same percentage is involved in professional, technical and service occupations.

There are about 400 employees involved in the daily municipal operations. The Township is essentially organized under 14 departments. The Township operates under a Special Charter through a three ward system. The governing body is made up of a mayor and six council members, each serving staggered three-year terms.

The community is essentially fully developed and is currently involved in major redevelopment initiatives of several former industrial sites in an effort to bring about economic development improvements to the town. There are a number of small commercial areas located throughout the Township. These commercial sites are also in need of improvement in order to foster greater economic development activities. From 1983 to 1994, the residential portion of the tax base has increased almost 10.5%, while the industrial and commercial portions have decreased roughly 8%.

The community is fortunate to have a variety of educational and cultural facilities, such as Bloomfield College, the County Vocational-Technical School and the Cultural Center, offering an assortment of services and programs. Members of the community are able to take advantage of these offerings according to their own needs and interests.

Despite the efforts of many hard working, competent employees, Bloomfield is at a crossroads. The nature of the community has changed quite considerably in just the last several years in terms of its socio-economic makeup, though many hold steadfastly to the belief that Bloomfield is the same community it was twenty or thirty years ago. As mentioned above, there has been a decrease in the portion of the tax base supported by the industrial and commercial sectors, though not as large as some may believe. The small neighborhood and downtown commercial districts are now struggling to survive. The residential portion will likely continue to be the greatest contributor to the tax base. There has been a tremendous increase in the cultural diversity and economic status of the community, perhaps impacting most significantly on the school system.

There are no “quick fixes” for any municipality, least of all, Bloomfield Township. Department heads and other employees have made significant efforts to reduce and/or control costs in municipal government. The issues that face this Township involve, in many cases, significant quality of life decisions. These decisions include whether the Township can continue to provide the current level and/or manner of services to its residents. The review team believes that there are few major cost efficiencies that may be realized, given the current compliment and design of services. Rather, we believe that in order to realize significant savings, critical decisions are required regarding labor issues and service delivery, which involves the re-organization of a number of municipal

departments and services and the pursuit of non-traditional means of service delivery, such as privatization and shared service arrangements. The review team acknowledges the difficult nature of the recommendations contained in this report, but believes that these changes are necessary for any truly significant cost efficiencies. In order for Bloomfield to meet its challenges, the community must successfully address and reconcile its cultural and political differences and focus on the work that must be done to improve the community. While we do not detail these differences in the report due to their subjective nature, we believe from the numerous interviews conducted that these issues play a major role in the decision making process in Bloomfield Township, both from the point of view of Township officials and from that of the residents influencing local decisions.

BEST PRACTICES

Departmental Re-organizations

Ongoing efforts are being made in several departments to downgrade inflated job titles and eliminate unnecessary middle management. In 1994, an Administrative Secretary and a Senior Maintenance Worker in the Recreation Department were replaced with a Clerk Typist and a Laborer. This action resulted in a \$39,000 savings in salary and benefits, with no reduction in productivity.

In the Finance Department, the Township consolidated the two separate titles of Chief Accountant and Treasurer into one - Comptroller. The Township is in the process of combining the job functions of "Parking Meter Repairer" and "Parking Violations Officer" into one dual title. This will reduce personnel costs as the parking meter maintenance person would then be able to collect money from the meters, as well as ticket any violators. Further staff reductions have resulted in eight fewer employees over the past nine years.

The staffing level in the library has decreased by approximately 21 positions in the last ten years, with only minimal effect on the quality of programs and services.

Recreation Programs for the Special Needs Community

There is strong support on the part of the Recreation Department for Bloomfield's "special needs community." The municipality is the recipient of a State grant from the Department of Community Affairs entitled "Recreation Opportunities for Individuals with Disabilities." Most of this money has been used to establish the Friday Night Canteen Program and the Summer Program.

Energy Efficiency

Bloomfield is in the process of improving its electrical energy efficiency. The cost of these improvements is being paid partly from PSE&G's "Standard Offering I Program" and partly from savings brought about by reduced energy usage. These improvements permanently reduce energy costs.

Volunteerism at the Library

The Bloomfield Public Library has an excellent Volunteer Program. In 1995, there were 75 participants who provided as many as 12,000 hours of service for the year. This is equivalent to the work of 6.6 full-time employees, or approximately \$105,739 worth of "in-kind" service.

Bloomfield Librarians' Group

The Librarians from the public library meet with Librarians or Media Center Personnel from the local public schools, parochial schools, Bloomfield College and the Curriculum Advisor for the Bloomfield School Board three times per year to exchange ideas and promote cooperation when and where it would be beneficial to Bloomfield residents and/or students.

“Sunday Opening” Donations for the Library

Local businesses are encouraged to “buy a Sunday” for \$350, which provides enough funding to finance staffing for a complete Sunday opening at no cost to the taxpayer.

Longevity Elimination

The Township is to be commended for having begun the process of eliminating longevity pay from most contracts for new hires and is encouraged to remove it from the police and fire contracts as well.

Crime Reduction Initiatives

The Police Department has initiated several noteworthy crime reduction initiatives during the last few years. There is now a dedicated unit for joint anti-crime activities and patrol with neighboring towns that are experiencing rising crime rates, which is intended to concentrate a greater police presence in those areas. A Power Unit has also been established to patrol during peak hours to target areas in Bloomfield known to have higher incidences of crime. This unit provides greater surveillance of key areas and establishes expanded relations with community watch organizations in an effort to reduce crime.

OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS

ADMINISTRATION

Staffing

The Mayor's Office is staffed by a part-time mayor and a full-time secretary.

The Township Administrator's Office is staffed by the Township Administrator and one secretary. Payroll and personnel assistance is provided by a secretary physically located in another office, but under the supervision of the Administrator.

Functions

The Mayor's secretary handles public inquiries, appointment scheduling, filing, general correspondence, and special projects for the Mayor.

The Administrator's secretary handles public inquiries, appointment scheduling, filing, general correspondence for the Administrator, special projects, preparation of reports, such as the Significance Report and reports on concerns expressed by residents, and preparation of the administrative portion of the Township Council meeting packets.

The Administrator is responsible for carrying out the policies of the governing body and for the overall daily operation of the municipal government. To this end, he is charged with oversight responsibilities related to personnel, finance, policy development, planning, engineering, health, welfare, public works, Fire and Police Department activities and all other functions of local government.

Recommendation: Based on workload and scope of responsibility, we suggest that the Township consider the addition of an Assistant Township Administrator to this office to assist in the daily administration of municipal government in Bloomfield. We believe it is necessary to provide greater professional assistance so that projects and responsibilities not effectively handled now because of workload constraints can be taken care of. This individual could be charged with general oversight responsibility for personnel, development of policy manuals, insurance, and economic development activities not currently being addressed, as well as other general administrative responsibilities. In the area of personnel, the Assistant Administrator would function as the Personnel Director for the Township which would include labor negotiations, salary review and administration, approval of time off based on allotment availability, benefit administration, policy development and other similar responsibilities. We further suggest that the Municipal Clerk's position may be combined with the Assistant Township Administrator's position to mitigate the increase in additional staff cost without a reduction in service.

Value Added Expense: \$5,000

PERSONNEL

General

Personnel matters not requiring Township Council involvement or approval are the responsibility of the Township Administrator. These include, to various extents, matters of discipline, grievances, labor issues, appropriate staffing levels, and all other personnel decision functions. Daily record keeping, clerical and general information support is provided by an unclassified secretary. This secretary is responsible for payroll, health benefit and pension functions for approximately 400 employees.

There appears to be no adequate system in place to ensure employee accountability in such areas as tracking time off, frequent lateness and length of lunch times. Employee control and accountability is a concern based on our observations and interviews. For instance, we could find no evidence that time sheets were adequately reviewed by all department heads prior to their submission to payroll. In fact, it appears that payroll continually generates paychecks based on full workweeks for all employees. The only adjustments made to those records are after the fact if employee absences are brought to light by department heads, or by specific inquiry. However, we have been told that this rarely happens since much of the employee's lost time is not documented or dealt with by the department heads. A number of employees and department heads expressed concern over the frequency and lack of disciplinary action regarding employee lateness. Also expressed, and observed by the team, was the lack of adherence to official lunch times and offices closing for lunch. If the total of this "lost" time amounts to only 15 minutes per week for non-police and fire employees, the value of the time is approximately \$21,460.

Recommendation: We strongly suggest that the Township institute greater control measures in the above areas to ensure not only employee accountability, but greater public access to Township officials. A computerized attendance and leave tracking system would be very beneficial in accurately accounting for employee time.

Productivity Enhancement: \$21,460, which is equivalent to approximately one tenth of one tax point

Civil Service

There are approximately 400 employees working for the Township of Bloomfield, including 200 in the Public Safety Departments. Most employees fall into classified positions under the Civil Service system, however, there are 21 unclassified employees making up about 5% of the workforce. At present, approximately 12 employees are in provisional positions waiting for examinations or permanent appointment.

Over the past 12 months, the Township has had no compliance issues submitted to the Merit System Board. Only two issues currently face Civil Service disposition and both are being resolved.

There are only a few instances in which we believe re-classification of positions based on current responsibilities is called for. These mainly include secretarial positions and laborer

positions. These issues are presently being addressed by State Civil Service staff members. Other re-classifications would result from implementation of our recommendations discussed in greater detail in the applicable sections of the report.

Contracts

The review team has reviewed each of the ten labor contracts which were in force for 1995. There are a variety of findings and recommendations regarding labor contract issues that cross individual contract lines. We present those general issues, as well as issues related more specifically to particular contracts, below. There are other issues contained in the recommendations regarding departmental re-organizations which may require attention in the contract negotiations process. In general, we found a number of contract provisions that appear to be generous, when compared to other public sector contracts. Many of these items may be the result of historical negotiations that involved arbitrators or which resulted from costly benefits being granted in return for lower salaries. It is important to cost out all contract provisions, not just salaries, when developing fair, appropriate contracts. For instance, though it may seem more beneficial during negotiations to give additional days of leave in return for lower salaries, the long term effect on the individual departments in terms of overtime and available staff time may be detrimental to the operation of the department and may prove more costly in the long run.

Sick Time: The allotment of sick time is generally comparable to many other communities and the State. Typical allotments for all government employees are 12 - 15 days per year.

Language regarding the appropriate use of sick leave and the consequences for inappropriate use are not included in any of the contracts reviewed. Specific incidences of what the team believes to be sick time abuse are detailed in the particular department in which there appears to be a problem.

Recommendation: We suggest that a policy regarding sick leave abuse be developed and included in labor contracts, with clear disciplinary action defined for those who violate the policy.

Vacation Time: The allotment of vacation time in most contracts is excessive when compared to many other communities and to State minimums. A review of those employees with service times of between 11 and 20 years determined the value of this extra time allotted beyond the 15 days required under State minimums for Civil Service communities to be as follows: \$1,089 for firefighters, \$1,350 for fire lieutenants, captains, and the Fire Official, \$1,446 for deputy fire chiefs, \$1,507 for police officers, and \$1,609 for police sergeants, lieutenants, and captains. These values obviously increase each year due to increases in salaries and the number of employees eligible for such leave. Four other contracts call for additional vacation time allotments.

Recommendation: We strongly suggest that the Township attempt to reduce vacation time allotments to State minimums in the next round of negotiations.

Cost Savings: at least \$7,000

Terminal Leave: The Township generally makes terminal leave payouts with no cap placed on the maximum payout. For purposes of our analysis, we have used the total payment due for accrued, but unused vacation and sick time, the generally accepted definition of terminal leave payments. In 1995, the value of total terminal leave payouts for ten employees was \$128,784. There were four employees who were entitled to payment for unused sick and vacation time that amounted to greater than \$15,000 each.

Recommendation: We recommend the inclusion of the terminal leave payout cap used by the State of no more than \$15,000 per retiree. This would have saved the Township \$90,857 in terminal leave payments based on sick and vacation time alone. Further, we have made a suggestion for regulatory change related to terminal leave payments in the last section of this report.

Longevity: We look favorably upon the action of the Township for successfully negotiating the end of the longevity benefit for new hires after November 15, 1993 in all but the police and fire contracts. Longevity payments in 1995 totaled \$720,086, of which \$197,188 was for Fire Department staff and \$278,256 was for Police Department staff.

Recommendation: We recommend that the Township extend this benefit elimination provision to all employee groups. Further, we recommend that consideration be given to the manner in which longevity pay is provided. This would include payment in the form of a flat dollar amount, instead of a percentage, and a lump sum payment once per year, instead of as an addition to salary. These changes would result in cost reductions in the compounding of percentage increases and pension and overtime costs tied to salaries that now include longevity amounts.

Continuing Education: Many contracts include an annual payment to the employee of \$350 for continuing education. There is no indication that any verification is required of a passing grade, or in fact, of actual attendance in continuing education courses. This seems to be simply an additional monetary benefit.

Recommendation: We recommend that this benefit be eliminated completely, or be given only to those enrolled in relevant continuing education courses who receive at least a passing grade.

Clothing Allowance: Certain contracts allow for payment by the Township of a clothing allowance to each employee. There is no indication of any required verification that money is actually being used for such purpose, which means that there is no direct evidence that this public money is utilized for anything other than as an additional monetary benefit. The December 11, 1995 expenditure report shows approximately \$141,000 in payments made for clothing allowances.

Recommendation: We suggest that the Township eliminate this benefit as a direct payment to employees and, instead, competitively contract for the purchase and maintenance of uniforms. This should allow the Township greater control over these expenditures. A conservative estimate of savings of 2%, if bid, would yield an

estimated savings of roughly \$2,800. While this savings may not be considered substantial, we believe that the more important issue is the use of public money without direct evidence of its use for the purpose in which it was intended.

Cost Savings: \$2,800

Additional Compensation: Captains each receive \$200 per year for administration of overtime in their divisions, a function we believe should be an integral part of their responsibilities as management level employees. This amounts to \$1,000 per year for all captain positions. In addition, each lieutenant receives \$524.57 and each captain receives \$598.04 annually “to attend any civil court proceeding as a representative of the Police Department and/or Township and for being available to attend official administrative proceedings other than those related to criminal investigations performed as a regular function of a Superior Officer’s regular duties.” As far as the team is concerned, we believe that these functions should fall within the regular scope of duties for these management positions and that no additional compensation should be granted. For lieutenants, this compensation totals \$2,098 and for captains it totals \$2,990.

Recommendation: The team recommends that the Township carefully re-consider its definition of management employee, both in terms of responsibilities and compensation levels. It appears to us that there is a hybrid definition of management employees, at least in the Police and Fire Departments, which benefits the individuals affected, but not necessarily the Township, or ultimately, the taxpayers. We suggest the elimination of these additional compensation amounts as we believe they are inappropriate for “management” employees.

Cost Savings: \$6,088

Car Allowance: Certain employees are granted a car allowance for the use of their private cars for Township business, but there do not appear to be any records to justify such payments based on actual usage. The December 11, 1995 expenditure report shows approximately \$16,500 in “car hire” payments for certain departments.

Recommendation: We recommend that the Township review the entire issue and determine, based on actual documented usage for some pre-determined period of time, the appropriate level of compensation, and whether it would be of benefit to the Township to, instead, purchase additional vehicles for use by various departments.

Prescription Plan: The contracts call for a combination of prescription drug coverage through the Major Medical Plan and the Township. The Township reimburses the employee for all prescription drugs immediately after a receipt is submitted for payment and a Major Medical application is signed. The Major Medical application and prescription form are sealed in an envelope in order to preserve the confidentiality of the prescription forms. Employees are expected to sign over to the Township any reimbursements received from the Major Medical carrier as soon as they are received.

The Township has agreed that it will not insist on seeing the prescription form as a condition of reimbursement.

This policy fosters several conditions that go against the Township's interests and, therefore, the public's interests. The Township is forced to pay for prescription drug coverage and therefore layout funds ahead of when necessary, prior to the Major Medical Plan's determination as to the eligibility of the claim. The Township is then forced to rely on individual employees to reimburse the Township for duplicate coverage received by the Major Medical Plan. The fact that the Township does not even see the prescription form ensures that the Township will not be able to verify the legitimacy of the claim, or further, that Township funds are actually being expended for the purpose in which they were intended. For instance, there is no proof that there is an actual prescription that exists, that even if it does exist it is for the employee or eligible dependent, and that the employee is being reimbursed for prescription drugs and not over-the-counter items for which a receipt is provided.

Recommendation: We strongly suggest that this contract provision be re-negotiated to require greater safeguards on the expenditure of public monies. In order to protect confidentiality, the name of the prescription drug can be whited out, but all other information should be verified by the Township - the fact that it is a prescription and not a receipt for over-the-counter items, the amount of the prescription drug, the fact that it is for an eligible employee or dependent, and that it is submitted in a timely manner. Also, we believe the Township would be better served by withholding payment until after a Major Medical claim determination is made so that Township funds are not expended unnecessarily or in advance of when it is necessary. We feel strongly that the Township must have greater control of the prescription drug plan to adequately protect the public interest through the expenditure of public funds.

Summer Work Hours: One of the contracts, which includes the majority of non-police and fire employees, includes a provision for a change in the number of work hours during the summer from 40 to 35, 35 to 30, or 35 to 32.5 hours per week depending on the employee's classification. This averages to a 12% reduction in hours for one quarter of the year. Hours worked in excess of those required as above are paid at the overtime rate, even though the Federal Fair Labor Standards Act (FLSA) only requires that overtime be paid for hours worked in excess of 40 during a workweek. Based on total salaries paid in 1995 for most of the major departments other than police and fire, the total value of this reduction in work hours is estimated to be about \$103,000.

Recommendation: While we understand the potential value of an earlier reporting time for employees who work outdoors during the heat of summer, we do not endorse a reduction in the total number of hours and recommend that this provision be eliminated. We further recommend that overtime be paid only as per the FLSA requirements and not based on reduced workweeks for employees.

Productivity Enhancement: \$103,000

Salary Scale: In several cases, salaries appear to be higher than in other communities for the same positions and inconsistent with the Bloomfield salaries for other positions requiring comparable knowledge, skills and abilities. For instance, the Senior Accountant position, which requires a college degree and accounting credits commands a salary that is only minimally above that of a Senior Cashier position, which requires one year of cashiering experience, but does not require a high school diploma. Similar inconsistencies exist with the Signal System Repairer and Animal Control Officer positions when compared to the responsibilities and requirements of other positions.

Recommendation: In general, we suggest that the Township undertake a complete review of its salary scales to ensure greater comparability between positions with similar requirements and responsibilities, and with similar positions in other communities.

Further, we believe it would be beneficial for the Township to consider cost saving measures such as the insertion of a new lower step in all contracts. This could be set up so that these new steps would not bump up for at least one full year. The development of a new salary scale for all new hires as of a predetermined date might also be considered.

Bloomfield Fire Superior Officers' Association: We have a variety of concerns as they relate specifically to the Bloomfield Fire Superior Officers' Association (Deputy Fire Chiefs). They are as follows:

These positions are considered management in nature, however, according to our interviews with the Fire Director, virtually all management duties are handled by him and not by the deputies. Deputies are typically charged with administrative duties related to supplies, equipment and other purchasing concerns. They have limited disciplinary authority, but are in charge of shifts. These positions are compensated at management salary levels.

In addition, while they are officially recognized as "management" level employees, they each receive \$200 annually for payment in lieu of overtime. Similar to our comments in an earlier section, the team believes that management level employees should not receive any form of additional compensation for additional hours worked - "it comes with the job." These deputies are also given four administrative days off in addition to their regular leave allowance. These days are for "special administrative tasks" and for administering the prescription drug program for firefighters, and are valued at \$4,615.

Recommendation: We recommend that the responsibilities of these employees be carefully reviewed to determine whether they are truly "management" employees. If, as we believe, they are not, we suggest that their rank be reconsidered, perhaps to reflect their truer roles as shift commanders, and that they receive non-management salaries and benefits. If they are to remain management level employees, we suggest

that overtime payments and the additional four days off with pay be eliminated. In addition, we suggest that all health benefit related tasks be handled by Township administrative staff and not by individual departments.

Cost Savings: \$800 in elimination of in lieu of overtime payment

Productivity Enhancement: \$4,615

Police School Traffic Guard Association: The second contract that merits particular attention, in the team's opinion, is that of the Police School Traffic Guard Association (School Crossing Guards). The team suggests that the salaries, benefits, and work hours required of the school crossing guards warrant careful review. Additional issues regarding the provision of these services will be discussed in the Police Department section of this report.

Recommendation: We believe that the benefits and work requirements for school crossing guards should be reviewed, in light of the recent change in the State Health Benefit Plan rules to allow local jurisdictions to define "full-time" employee for the purpose of defining eligibility for benefits. While we recognize the minimum benefits required for part-time employees under Civil Service regulations, consideration should still be given to the level of non-health benefits, such as vacation time, sick time and longevity provided to part-time employees. Despite the Township's belief that all guards are subject to Civil Service regulations, there are actually 25 who are not, and are, therefore, not under the same minimum benefit requirements. N.J.S.A. 40A:9-154.1, adopted in 1979 and amended in 1981, essentially removes school traffic guards from Civil Service protection by establishing appointments and terms as affixed by the governing body. As a result, guards appointed after this date do not enjoy Civil Service protection nor are they subject to the same benefits with regard to sick and vacation time.

Health Benefits

The Township now participates in the State Health Benefits Program, but is actively researching other opportunities for the provision of health benefit services. There are several issues that require the attention of the Township as they have the potential to provide cost savings.

As of October 1995, the Township was providing 57 part-time employees health benefit and dental coverage at a cost of approximately \$323,310. Of these employees, 29 are Medicare eligible. These part-time employees include 40 school crossing guards, the Director of Law/Township Attorney, Assistant Township Attorney, Prosecutor, Municipal Judge, Township Physician, Township Chiropractor, Welfare Director, Computer Operator, Graduate Nurse, two Motor Vehicle Operators, two Clerk/Typists, and four Council members.

The Township has adopted Chapter 88 of the Public Laws of 1974 which permits payment of health benefit premiums by the Township for retired employees who have retired on a disability pension or have 25 years or more of service in the pension system. There were

approximately 184 retirees receiving health benefit coverage from the Township as of October 10, 1995. The cost of this coverage, based on July 1, 1995 rates, is \$705,724.

Recommendation: We strongly recommend that the Township reconsider the provision of health and dental benefits to all part-time employees, but particularly those who are capable of securing health benefits through other sources or employers and, therefore, reserve this costly benefit for those who work for the Township on a recognized full-time basis.

Cost Savings: \$323,310

COMPUTERIZATION

Departmental Utilization

With few exceptions, there is a significant lack of adequate computerization of departmental functions.

In the Finance Department, there are a number of instances in which records are now maintained on a manual basis, even those done on a monthly basis, such as the reconciliation of bank statements. Other departments shared their frustration regarding the lack of the use of computers in the financial function and would find integrated computerized budgetary and other financial information extremely useful.

There is a minimal degree of automation currently in use by the Department of Health. However, there are a number of benefits that could be realized with increased automation/computerization. These include facilitating statistical reports, tracking (time-utilization) and billing, client records, facilitating grant writing through inter-departmental sharing of data and data transfer, and utilization of voice mail and E-mail to expedite work.

To the extent it can be without State automation improvements, the Welfare Office is 100% automated. The department has, however, been submitting both a computer printout and a handwritten printout of the reports to the State, which is unnecessary. Only one set of reports is required.

The Recreation Department has computerized registration lists, minutes of Board meetings, department memos and its Dedicated Funds Account. Areas where computerization would further facilitate operations include: tailored registration forms for each program/activity (to avoid repeating redundant information), specific data regarding participants and receipt forms. It is estimated that with complete computerization, approximately 15 staff-hours per week could be saved.

Office automation in the Township Clerk's Office is very limited, however, a new "docking station" computer (similar to a "Laptop") is being purchased which can be transported to meetings which should increase productivity and efficiency. Also, the PC Codebook computer program is expected to be installed in the Clerk's Office by June of

1996. It will then be installed in other departments, which will enable all departments to update their codebooks.

Computers are used extensively in the Community Development and Inspections Department to track revenues and allocate operating cost among the various functions, to account for field work effort, and to generate State and Federal reports. We observed, however, that some clerical personnel still use typewriters to complete routine correspondence.

The Fire Department has automated its personnel and operations information. This was done initially to meet State reporting requirements and is now serving as a model for the rest of the Township. The Fire Director is committed to automation and indicates that the department is taking the lead to tie the Fire Department's computer with the Township computers to share information. One aspect of this system that could be extremely useful to other departments is the monthly employee leave report. This report adequately identifies leave patterns that may indicate the need for disciplinary action to curb abuse of time.

Recommendation: We recommend that Bloomfield develop computer systems which integrate the Township's data needs, especially for budgeting, word-processing and E-mail, as soon as possible. Efforts should be made to computerize as many functions as possible to facilitate data maintenance, as well as information access and retrieval. Computerization of template documents should greatly increase the efficiency by which they are created. Computerization support should be considered during the shared services discussions we propose between the Township, School District and Bloomfield College.

INSURANCE

General

On March 3, 1986, Bloomfield created a Municipal Insurance Fund and became self-insured. A Municipal Insurance Fund Commission was also created. This commission now includes the Mayor, one councilperson and the current insurance consultant who serves as the Secretary to the Commission.

Historically, the self-insurance function has not, in the team's opinion, been particularly well managed. However, recent efforts have established a framework for an effective effort in the future that will enable the Township to realize greater protection of its interests. It is the team's understanding, that prior to the recent securing of an outside professional consultant to provide insurance services, in-house staff performed the insurance responsibilities. It appears little attention was paid to risk management, safety programs, cost containment programs, and general management of the Township's insurance operation. The former Township Clerk set reserve limits and handled the daily affairs of the Commission. Commission meetings were held on an infrequent basis. The

Township had no excess liability coverage. Claims went directly to the Township Clerk with little or no backup reporting or case review.

Within the last two years, the Township has begun to focus greater attention on its insurance matters. Only recently, the services of an insurance professional have been retained for the Township's insurance program. The services provided by this consultant are reported to include risk management, safety program, reserve analysis and general insurance guidance, however the team was not provided with an actual contract. The cost of these services was \$4,000 for the last half of 1995 and was charged against the allocation made for a Secretary to the Commission. The budgeted cost for these services in 1996 is \$10,000.

The claims management process has reportedly been improved. All potential claim incidents are now followed up by a report and pictures (if applicable) and are then reviewed by the consultant for further action. Department heads are responsible for ensuring that reports are filed in a timely manner. Cases are reviewed by the Assistant Township Attorney for possible legal action. A separate subrogation file is created and the Assistant Township Attorney will be utilized to proceed with appropriate subrogation actions. The Township is now also seeking reimbursement under PIP coverages whenever possible. These actions were not taken in the past, which kept the Township from recouping considerable funds from these sources. The Commission, in consultation with the Assistant Township Attorney, will now establish case reserve limits.

Approximately two and one half years ago, a risk management report was prepared by an outside agency recommending improvements in risk management. Because of that report, department heads from the departments of fire, police, public works and recreation, will now make recommendations for safety improvements to the Insurance Commission. Staff in these departments will be trained to handle risk management/safety reviews for the Township.

The Assistant Township Attorney lends legal support to the Commission, but has historically been used mainly for litigation defense in other than workers' compensation cases. Workers' compensation and some other litigation have largely been defended by separate outside counsel. We have been advised that the Assistant Township Attorney will now begin to review the workers' compensation cases for possible in-house processing.

We believe that the Township's recent changes to its insurance program will help to ensure that it is adequately addressing all insurance concerns in an effort to take a proactive approach to this critical aspect of municipal government. It is our opinion that the Township has been very lucky in not incurring major losses due to the inadequate attention previously paid to the insurance program.

Recommendation: We recommend that meetings of the Commission be held regularly with the complete involvement of the insurance consultant and the Assistant Township Attorney. The Township should ensure that a contract for

consultant services is developed which completely addresses the duties and responsibilities of the consultant and the compensation that will be provided for such services. Workers' compensation cases, as well as other litigation, should be handled by in-house legal staff to the greatest extent possible. Further, we suggest that the proposed Assistant Township Administrator be charged with the daily administration of the insurance program to ensure that all actual and potential claims are followed up on and that necessary reports are maintained. Providing in-house staff support to this function provides consistency to the insurance program that may not be possible through the sole use of elected and appointed officials.

Workers' Compensation

The Township provides a supplement to employees on workers' compensation leave in the form of salary payments above the legally required amount of 70% of wages. This additional payment is made to compensate the employee for work related injury/illness absences in such a way as to enable employees to receive the same amount of "take home" pay they would have received if they were not out on workers' compensation leave.

This practice is not unique to Bloomfield. There are other towns which simply pay an additional salary amount of 30%, which actually provides the employee with greater "take home" pay than when not out on workers' compensation leave due to the effect of the non-taxable 70% workers' compensation payment. According to Township records, by basing the salary supplement on "take home" pay instead of gross pay, the Township has saved approximately \$15,725 in 1995, alone. Savings in each of the years since 1992 when this change was made in the way in which the salary supplement is determined is even greater, due to the larger number of workers' compensation cases in those years. The Township also pays full salary to the employee during the first seven days of leave in which no payment is required by law, however, there was no breakdown of this cost available for review by the team.

Recommendation: It is suggested that the policy of providing the salary supplement for employees on leave due to work related injury/illness be eliminated. This would save the Township at least \$30,697 based on those cases in 1995, and would increase the possibility of an earlier return to work due to the removal of the additional salary benefit for non-working days. Greater savings would accrue based on elimination of salary payments during the first seven days of leave.

Cost Savings: at least \$30,697

FINANCE

Overview

Bloomfield receives yearly revenues of approximately \$34.5 million (1994). More than half (58.5%) comes from property taxes, the remaining comes from state aid (22.4%), or the combination of various fees or fines imposed by the Township and Federal funds (19.1%). More than half (60.2%) of these revenues are expended on salaries and benefits for police, fire and non-uniformed employees. The remainder is spent on garbage and trash collection (9.4%), reserves for taxes due (7.5%), debt service (3.9%), library (2.8%), and other expenses (16.2%).

Like many municipalities, Bloomfield has been dealing with the rising cost of government by implementing measures to cut expenses and increase revenue. In 1994, the Director of Finance completed a fiscal recovery plan for its application for State aid. The plan indicated that the Township had made efforts to reduce costs and increase revenues. For example, since 1986 it had reduced 75 municipal employees (many of these reductions are detailed in this report), increased revenues, including increased property taxes, increased fees where appropriate, and has continued to attempt to increase the number of ratables, especially in the industrial areas where vacancies exist.

Despite these efforts, however, the Township continues to face a difficult fiscal situation. Since 1989, through generous labor contract provisions, Bloomfield's annual increases for salary have averaged 6.8% and fringe benefits have averaged 16.8%. As noted, these costs represent over 60% of the municipal budget.

The Township is close to reaching the limit on its ability to increase revenues to meet significant cost increases, particularly since the major source of revenue comes from property taxes (58.5%). Bloomfield has raised property taxes to an effective tax rate that is the ninth highest out of 22 cities in Essex County. Moreover, almost one-third (32.8%) of the Township's households receive social security and are reported to be on fixed incomes.

The Township's ability to enhance revenue by adding ratables or increasing fees and State and Federal aid is also restricted. The municipality is approximately 98% developed and, therefore, the expansion of the available ratables will help, but likely will not improve revenues significantly. Additional State and Federal aid is also unlikely due to the fiscal constraints on those governments.

Recommendation: The task which lies ahead for Bloomfield's elected and appointed officials is undoubtedly a difficult one. In order to address the tough fiscal situation facing Bloomfield and position the Township to face the 21st century on a sound fiscal foundation, the team believes that the Township must make difficult decisions regarding its ability to continue the operation of municipal government to the same extent it has in the past. We believe that, despite the efforts of many talented,

competent and creative staff members to maintain the efficient, effective operation of government, Bloomfield will be required to make significant cost reductions through organizational change, efficiency improvements and other efforts and/or bring in additional program and service revenue as it carries out its responsibilities and services. These changes will be identified in the appropriate sections throughout the report.

Organization and Staffing

The Department of Finance is headed by a Director of Finance/Certified Municipal Finance Officer who is responsible for all statutory financial functions including payroll, general ledger maintenance, budget and expenditure control. The department contains two divisions. One is the Division of Revenue, which includes the Tax Collection Office, the Water Meter Revenue Unit and the Parking Meter Collection and Maintenance Unit. The other division is Accounts and Controls, which includes the Comptroller and the accounting, purchasing and payroll functions.

Over the past nine years, the Director of Finance has succeeded in reducing staffing by more than one-third, while maintaining effective performance standards. In 1986, the department had 23 employees and, in 1995, it has 15. Our review of each division identified these staff reductions, as well as plans for future reductions.

The Division of Accounts and Controls is headed by the Comptroller. Several years ago this division had 4.5 people, today it operates with 3.5 people. This reduction was achieved by combining two positions (Chief Accountant/Treasurer and Comptroller) into a single Comptroller position. The Comptroller spends the majority of his time maintaining the computerized general ledger, reconciling bank accounts to the general ledger, and posting to the cash receipts and disbursement book. The remaining time is spent with investments, purchasing, bank deposits and miscellaneous duties.

Cash Management

The team reviewed Bloomfield's cash management practices in order to determine if the municipality was maximizing its interest earnings while adhering to sound business practices. Bloomfield's cash management practices contain two major elements. One is the maintenance of checking accounts for their operating budget, the other is short term certificates of deposit investments. In 1995, Bloomfield's average daily balance in all of its checking accounts, excluding Federal fund and bail accounts was \$4.7 million and the average amount invested in certificates of deposit (CDs) for the year was \$4.3 million.

For purposes of our analysis we reviewed 18 out of 27 general operating accounts. We excluded nine accounts which represent Federal grant and bail accounts. For each one, we performed a computerized cash flow analysis which included calculating the average daily balance, the average high and low day, the interest earnings, the amount of fees charged by the bank, and the number of checks and other debits processed. The amount of interest earnings that a bank computes for its commercial customers is dependent upon, among

other things, the account activity, the average daily balance and the bank's service and maintenance fees.

We also completed a review of 108 CDs identifying the average rate of return and the terms of the instrument.

Our analysis of the 18 operating accounts indicates that the aggregate average daily balance is \$4.7 million, an amount we believe to be too high as these accounts generally have a low to moderate range of activity. Also, our analysis indicates that Bloomfield is paying a premium for its overall banking services. It is important to note that the Director of Finance and the Treasurer/Comptroller have recently met with their bank to try to improve earnings and service provided to Bloomfield.

Bloomfield has maintained its operating accounts with the same bank for nearly 40 years. We could find no record of competition by other banks for Bloomfield's business. We believe that the lack of competition is a major factor in Bloomfield's failure to maximize earnings for the Township.

In spite of this high average daily balance, Bloomfield receives no higher than 1.2% interest on any of these accounts. The total interest paid on these accounts in 1995 was \$55,100. We estimate conservatively that by creating a more competitive business environment through stronger, more substantive investment of its operating cash balances, Bloomfield could increase net earnings by as much as \$165,000.

Bloomfield is receiving a reasonable return from its Certificates of Deposit. Bloomfield's procedure to obtain the highest CD rate is to obtain quotations from at least four banks. In 1995, Bloomfield invested an average of \$4.3 million in 108 CDs. They ranged in term from seven to 30 days and in amounts from \$100,000 to \$6 million.

In 1995, the Township received \$249,000 in interest from these CDs. This computed to an average interest rate of 5.75%. This rate is slightly higher than the 5.63% average paid to "Non-State" participants (local governments) by the New Jersey Cash Management Fund (CMF).

Bloomfield's higher return means that it earned \$5,000 more than it would have if it invested in the State's CMF. However, we estimated that the administrative costs to the Township were roughly \$8,000, which includes the cost of tracking CDs, obtaining quotes, and conferring with banks. This resulted in an estimated net loss of \$3,000. This administrative effort is unnecessary with CMF since there is no need to obtain quotes and track multiple CDs. Furthermore, under current practices, Bloomfield minimizes its liquidity by committing all of their investments to CDs. In the CMF, funds are completely liquid and can be transferred to or from any of Bloomfield's operating accounts via a telephone call. The only charge to Bloomfield is the sending bank's charge to transfer funds to the CMF or when the receiving bank accepts a transfer from CMF.

Recommendations: In order for Bloomfield to more successfully manage its operating cash balances and increase its interest earning potential, we suggest that the Township take the following actions:

- (1) Reduce the number of accounts and CD's to only those that are essential to maintain separately or as required by law.**
- (2) Develop and maintain a daily cash flow record to minimize account balances, thereby enabling accurate cash projections, allowing for longer term investments and reducing debit balances.**
- (3) Request that the bank provide a detailed monthly account analysis illustrating all service and per unit charges. (We have provided the Finance Department with an example of this type of document.)**
- (4) Monitor the monthly account analysis to ensure that minimum balances are maintained to compensate for service charges.**
- (5) Initiate competition by requesting at least three formal proposals from banks for all or part of Bloomfield's business. These proposals must include details of services provided and fee structures.**

Revenue Enhancement: \$165,000 in increased interest earnings

In addition, we strongly urge Bloomfield to minimize the number of CDs by identifying its short and long term cash needs with greater accuracy. Further, we suggest that Bloomfield take advantage of the New Jersey Cash Management Fund wherever appropriate.

As per N.J.S.A. 40A:5-14, the Township is required to adopt a cash management plan which designates the depositories to be used. In addition to this, however, we strongly suggest that the Township develop a comprehensive cash management program to address its short and long term needs. This plan should include items such as the types of investments permitted, the basis upon which certain investments are chosen (bidding, obtaining quotes, etc.), the reporting requirements of the investment officer to the governing body, a sweep or concentration account, controlled disbursements, balance reporting, and the other cash management recommendations mentioned above.

TAX COLLECTION

Collection Rate

A review of information and interviews with staff indicate that the Tax Collection Office is generally well run. It has maintained an excellent tax collection rate, which in 1994, was 96.2%. The Tax Collector attributes this to several factors:

- (1) a strong collection effort (e.g., delinquent notices are automatically generated at two weeks overdue and billing is done quarterly);
- (2) experienced and knowledgeable employees;
- (3) working as a team towards their stated commitment “to collect all money owed to the Township;” and
- (4) working with a vendor who provides automated posting of approximately one-third of their tax lines.

The team surveyed four towns that have a similar number of tax lines as Bloomfield. This information indicates that Bloomfield has the best staffing ratio and the third highest collection rate of the towns surveyed. Its collection rate was less than one-half of one percent lower than the two higher rates.

Tax sales are held once per year in October. They can be held anytime after April 1 for calendar year municipalities.

Recommendation: While we congratulate the Township on its successful, efficient tax collection efforts, we suggest that it could realize revenue through tax sales sooner, and therefore be able to invest those proceeds sooner, if it held tax sales earlier in the year.

Staffing

The Tax Collection Office currently operates with three full-time employees and one part-time employee who works three days per week. This is three employees less than three years ago. The office collects taxes from 12,594 taxable entities, including residential, commercial, apartments and industrial properties.

The Tax Collector indicates that under the current staffing level all statutory requirements are being met, however, some work does not get done as quickly as he would like. The Tax Collector believes that one additional full-time person would get all work done in a more timely manner.

Recommendation: We commend the Tax Collection Office for its effective performance through the use of efficient staff operations and outside vendor resources. We suggest that the Township continue to monitor the performance in this division to assess the need for additional staff.

Automated Posting

The Tax Collector works with a vendor who services banks and mortgage companies. The Tax Collector gives the vendor a tape of property taxpayers. When tax payments are made, the vendor organizes them by municipality, updates the tape and returns it to the tax office. This saves the Tax Collector from handling and posting each record manually. For example, the posting of 2,500 records by tape which can be done in 15 minutes would take an entire day to complete if done manually. The Tax Collector indicated that about one-third of the tax lines are updated this way. All lines cannot be done this way at this time, however, because the vendor has only secured certain banks as customers. Those tax records not handled by these banks must be posted manually.

Lien Processing

Of the ten Township-owned liens, six could not be foreclosed because they were too recent, in bankruptcy, or involved pollution problems. However, the four liens that appear to be eligible for foreclose are valued at a total of \$297,600, though the accuracy of this value appears to be in question, and represent \$51,547.20 in taxes owed to the Township. It is unclear to the team, based on discussions with the Township Attorney, the Tax Collector and the Director of Finance why foreclosure action was not taken on these four properties.

Recommendation: We suggest that the Director of Finance, Tax Collector and Township Attorney establish written, internal procedures to ensure proper communication regarding Township-held liens in order to avoid future miscommunications and take more timely action on these liens. Action taken on the disposition of these properties should be taken immediately, as they represent significant potential revenue from their sale. Even if the property value is inaccurate and they are only worth 50% of the assessed value, the Township still stands to gain at least \$148,800 from the sale in addition to the taxes owed.

Revenue Enhancement: \$51,547 (from taxes due to foreclosure)
potentially \$148,800 from the sale of the property

Parking Meter Revenue and Maintenance

This unit is responsible for collection of parking meter revenue, and maintenance of parking meters. Over the past nine years, staffing in this unit has been reduced from five people to one person.

In interviews with this individual staff member, he suggested that in addition to his current duties, he could also write tickets (Parking Enforcement) while he is collecting money from the meters. Training to become a Parking Enforcement Officer takes one day and costs \$75. The Township should see an increase in the number of tickets written by taking this action, which would also increase revenue. Even if a conservative estimate of 25% of this individual's time was spent on these new activities, we believe that the resulting increase in revenue would be approximately \$17,345.

Recommendation: We recommend that this position be changed to a Parking Enforcement/Parking Meter Repairperson to accommodate this additional enforcement responsibility. In addition, we suggest that productivity be monitored to ensure that this action is truly adding to the current enforcement efforts and not replacing some of those efforts.

Value Added Expense: \$75

Revenue Enhancement: \$17,345

Water Meter Revenue Unit

The Water Meter Revenue Unit has five employees - two clerks and three water meter readers. Water meter readings are done four times per year. The Director of Finance is working to privatize the water meter reading function. The current cost is approximately \$132,000 to staff the water meter reading function. The Director of Finance is discussing with Public Service Gas and Electric Company the reading of water meters at the same time as they read their gas meters. The savings realized from privatizing this function is estimated to be approximately one-third of the current costs, or \$44,000. In addition to the savings incurred through this contract, meters would be read monthly, which would allow monthly billings. This more frequent billing would improve the Township's cash flow and reduce the Township's upfront costs related the water service, since the time between the delivery of the water service and the collection of applicable payments for such service would be reduced. The Director of Finance plans to transfer two of these three people to the Department of Public Works and will keep one to do special readings and to make improvements in the billing process.

Recommendation: We congratulate the Director of Finance on his efforts to cut costs in this area and suggest that before a private contract is put in place, the East Orange Water Commission be contacted first to determine the level of savings that might be possible through this organization. This option will be discussed further in the water utility section of this report.

TAX ASSESSMENT

Staffing

The department consists of the Tax Assessor and one clerical person. A part-time (.2) legal consultant handles the commercial and industrial appeals primarily at the State Court level, but occasionally at the County Board level, as well. There is no formal contract for such work, but it is estimated to cost approximately \$33,000 - \$40,000 per year, although 1995 expenditure records show a payment of \$78,528 to this firm. The Assessor spends the majority of his time reviewing assessments, completing added and omitted assessments, preparing the tax list and handling appeals. He reviews about 2,300 building permits per year to identify properties where significant improvements have been made and about 10% of such properties are identified each year. He spends another 20% of his time visiting these properties in order to document necessary changes to their assessments. The Assessor indicated that he spends roughly 15% of his time doing clerical duties due to an inadequate amount of clerical support.

The Assessor continually monitors the accuracy of assessed values by reviewing sales and responding to citizen complaints regarding their assessments. In terms of sales, the Assessor reviews the ratio to true value i.e., the proportion between the assessed value and the sale price. If sales in a neighborhood are consistently below or above the assessed value, the Assessor will adjust the assessment value as appropriate for the entire neighborhood.

According to the Essex County Board of Taxation, based on its experience in working with each municipal Assessor's Office, it has found staffing guidelines developed by a professional assessing organization to be accurate. According to these guidelines, Bloomfield's Tax Assessment Office could add from one-half to one additional person.

Tax Appeals

The results of monitoring the accuracy of assessments is reflected in evaluation data maintained by the Essex County Tax Office. This data uses the ratio to true value to produce a measure called the "General Coefficient." Over the past four years, Bloomfield has been the best or second best in the County. This low ratio helps the municipality by reducing the number of tax appeals and their associated costs. In 1995 and 1994, there were 149 and 350 appeals, respectively, to the County Board of Taxation. Roughly two thirds of the appeals were for residential properties. While still fairly significant in terms of gross numbers, Bloomfield ranks seventh of 22 municipalities in Essex County for the lowest number of appeals. The legal consultant handles State appeals and the Township Attorney handles County appeals. The tax savings recorded by the Township due to its success in State Tax Court in these appeal cases was \$1,014,622 in 1995.

While its "General Coefficient" is outstanding, the Township is having problems with Commercial, Industrial and Apartment Building (Class #4) appeals. In 1995, it lost \$5.4 million in value from Class #4 appeals. These large losses on appeal appear to stem primarily from a 1992 revaluation that may have set these values too high and the general economic downturn in property values across the State. We believe the Tax Assessor's constant efforts at maintaining appropriate values keep these losses from climbing even higher.

Recommendation: We believe that this office is an example of a well managed, efficient tax assessment operation that other communities may wish to emulate. However, we suggest that a formal written contract with the consultant be developed which details the scope of services, cost of services and other pertinent information. Despite these staffing guidelines, our review of workload and performance data, interviews with Bloomfield staff and personnel from the County Board of Taxation indicate that this office is well run even with minimal staff. We are aware of only minimal responsibilities that are not being handled adequately under the current staffing. Therefore, we recommend that the Township consider creating a "floater" clerical position which could be assigned at least part-time to the Assessor's Office for coverage during absences of the full-time clerical employee

and for additional assistance with further statements, Chapter 91 reports and other office reports. This need could be taken care of, however, with adequate cross-training and available time from clerical staff in other departments.

Location

The Assessor's Office is located on the second floor of the municipal building, while the Finance Office is on the first floor. This makes frequent interaction a bit difficult and office staff cross-training unfeasible.

Recommendation: We suggest the Township consider physically locating the Assessor's Office near the Finance Office to improve interaction capability, provide office coverage and establish cross-training of staff.

PURCHASING

General

We reviewed 15 randomly selected purchase orders to determine whether or not proper bidding procedures were followed. This review showed that all purchase orders had bids attached to the original order, or that a State contract was used.

Many items are purchased centrally by the municipality. These include gasoline, printing, office supplies, and fuel oil, among others. For example, office supplies for the entire municipality are purchased through competitive bids by the Comptroller twice per year. He also has vendors teach department purchasing personnel how to buy less expensive, but quality items, so that they are better able to understand the purchasing constraints under which he operates. Our interviews indicated that operating personnel were generally satisfied with the timeliness of obtaining office supplies and their quality.

However, our interviews and the purchase order review indicated that office equipment purchases, such as copiers, faxes, and service agreements were not well planned or centrally coordinated. Each department has purchased the quantity and brand they desire within their appropriation limits.

Recommendation: Centralized purchasing should be expanded to include higher cost items used by all departments, such as copiers, faxes and service agreements.

Library Copier Contract

The Bloomfield Library has a contract with a private vendor who provides copying services (five machines) to the library at no cost. The vendor receives money from charges to the public for photocopying and gives one-third (approximately \$2,400 per year) of it to the library. In addition, the vendor gives the library one copier for its administrative needs at no cost. This contract has many benefits. There is no investment in buying or leasing copiers, maintaining, repairing or insuring them, buying paper, or selling copiers at the end of their useful lives. In addition, the public who directly receives

this copying service pays a reasonable fee set by the Library Board with input from the vendor, which covers the basic cost of the service.

We noted, however, several issues regarding this contract. First, the library does not verify the amounts collected. Secondly, the Township has not looked at other potential places in the main municipal building where the demand may be adequate for similar arrangements for copying services. The third issue is that the Library did not bid this contract on the mistaken belief that it was not required. The confusion may stem from the fact that a product or service, per se, is not being purchased, as no public funds are expended. However, a bid is required as a vendor is making a profit from a public entity and other vendors should have an opportunity to bid for that business. The team identified several other vendors who provide the same or similar vending relationships for copiers.

Recommendations: In the next contract, we suggest that the Library include some method to verify amounts collected by vendors. For example, the Library could establish a procedure with the vendor, or could use the Township's change counting machine to count the money on random collection days. The Library should bid future contracts for library copying services to comply with State purchasing requirements and to obtain the best possible contract. The Township should determine if there are areas other than the Library where the public demand for copying services is adequate to support this type of arrangement.

HEALTH and HUMAN SERVICES

Organization/Staffing

The Department of Health and Human Services is headed by the Board of Health, which consists of five members, appointed by the governing body. The Health Officer is in charge of the enforcement of State and Local ordinances, implementation of Board policy, and day-to-day administration of the department. The department is organized into four divisions: Administration, Environmental Services, Human Services and Nursing.

While providing management of the entire department, the Health Officer is specifically in charge of the *Administration Division*. This division is organized as follows:

The Township physician functions part-time as the town doctor, handling pre-employment physicals and workers' compensation cases and part-time as the community physician, providing consulting services and supervision of the municipal nurses. He is paid a salary of \$26,120 and receives health benefit coverage from the Township.

The Registrar of Vital Statistics is in charge of data maintenance, including marriage applications and licenses, burial permits, death certificates and birth certificates. With the exception of marriage applications, there has been a significant decrease in the number of licenses, permits and certificates issued by the division between 1994 and 1995. The Deputy Registrar assists the Registrar with data maintenance and performs administrative paperwork.

The Principal Account Clerk is in charge of accounting activities related to the budget, purchasing, ledger maintenance, financial reporting and the Aging Grant.

The Health Educator/Field Representative spends 40% of her time providing educational services (e.g., preparing/distributing educational pamphlets on health topics, promoting and publicizing Health Department services, as well as the services of other health organizations, providing programs for the general public, and taking part in public speaking engagements) and approximately 60% of her time performing routine sanitarian functions.

The *Environmental Division* is headed by the Chief Sanitarian. Support staff reporting directly to the Chief Sanitarian include: one Sr. Sanitarian, two Sanitary Inspectors, three Animal Control Officers, one Agency Aide who maintains the animal shelter, one Senior Clerk/Typist, and one part-time Clerk/Typist who works at the Animal Shelter.

Consideration has been given to the competitive contracting of the functions of this division, but according to Township officials, they have received little response from agencies indicating interest in providing the service and/or they determined that it would not be cost-effective. The department is, however, continuing to seek cost-effective alternative means of providing this service according to similar quality standards under which the service now operates.

The major functions of this division include handling telephone and in-person inquiries, responding to citizen complaints, inspecting, sampling and licensing food handling agencies, enforcing the sanitary control ordinance, enforcing the animal control ordinance and processing dog/cat licenses.

This division is presently engaged in seven inter-local contracts with Glen Ridge, Caldwell, North Caldwell and Nutley. Staff from this division participated in 499 Certificate of Continued Occupancy applications in 1995, which brought in \$32,360 in revenue.

Services which provide revenue, via fees, include the following:

- Food inspection, sampling, licensing;
- Boiler inspection;
- Dog/Cat licensing;
- Animal euthanasia and cremation services; and
- Animal redemption and adoption services.

Veterinary time of approximately six hours per month is donated to the municipality. The Township pays for emergency services only, totaling \$200 to \$300 per year.

Recommendation: The team is supportive of the potential savings and cost reduction initiatives, as well as the revenue enhancement actions currently being undertaken by the Environmental Division.

Further Cost Reduction Initiatives

With a concerted effort on the part of the Health Officer to extend computer literacy and automation, the Health Officer believes that staff members can produce their own reports and correspondence, thereby resulting in the possible reduction of one full-time clerical employee. This reduction in staff could result in a savings to the municipality of \$34,840 in salary and benefits.

The department is continuing to seek inter-local contracts with neighboring municipalities which could result in additional cost savings and revenue for the municipality. Presently this division is functioning as the lead agency for 12 communities participating in a Division on Aging Grant. An additional \$6,000 in revenue is expected to be given to Bloomfield for functioning as the lead agency.

It is estimated by the department that expanding the Lead Program to include additional services and increasing fees could generate an additional \$20,000 in revenue annually. The expansion would be achieved by requiring inspections for Certificates of Habitability to be coupled with Certificates of Occupancy whenever there is a change of occupancy.

The division continues to seek grants, such as the recently acquired Lead Inspection Grant worth \$40,000.

Modifying the existing ordinance to require all food handlers, not just supervisors, to be trained is meant to be a preventative action on the part of the Department of Health. It is estimated by the department that this could result in as much as \$50,000 in additional revenue.

Recommendation: Additional inter-local contracts and sub-contracting of public health nursing services should be pursued, but only with careful consideration given to the staffing levels required to perform tasks under such contracts.

We support the effort of the division to continue looking into providing limited residential lead inspection services, such as limited risk assessment services to identify potential lead hazards and advisory services at a fixed fee.

Revenue Enhancement: \$20,000

The ordinance requiring food handler training should be reviewed to require additional training for food handling.

The *Division of Human Services* is headed by the Social Worker/Mental Health Supervisor. Staffing consists of one Licensed Clinical Social Worker (LCSW), one clerical position, and one part-time LCSW (for Aging). There is also a part-time

psychiatrist who works under contract for the division for approximately five hours per week.

Services are funded through Township funds, individual fees, a County grant and the generosity of local businesses, civic organizations and individual donations (\$5,000 - \$6,000 in small contributions). The major objective is to provide a system of coordinated care at the community level, rather than to provide all services from one entity.

Services provided include treatment of mental illness, medical monitoring, counseling and referrals. Major functions include:

- conducting therapy sessions;
- handling referrals and conducting follow-up;
- billing clients;
- performing initial client assessments;
- consultations to community agencies, schools and related service professionals and organizations; and
- workshops, educational programs and speaking engagements.

Before 1995, a client who qualified for third party payments would commonly be referred to a local agency. The division would only handle all indigents and/or clients who could not be placed locally for services. In 1995, however, the division began expanding services, retaining more of its clients and charging fees. Fees for services are established on a sliding scale based primarily on family income and family size. However, no one is refused service. Caseload procedures are being modified to include group and shorter individual therapy sessions in an effort to increase caseloads by 40%, thereby reaching a greater number of clients. A system of billing was implemented to provide an appropriate reimbursement system and improved statistical and financial data, including an overview of revenue generating resources and the percentage of indigent residents being served.

Revenue for services rendered rose from \$4,300 in 1994 to \$13,354 in 1995. The revenue goal for 1996 is \$26,000. A long range goal of the department is to make this division 50% self-funding. It is the staff's perception that revenue could be greatly increased by improving the department's case-finding ability, such as maintaining a higher profile and educating the public to program and service offerings. Plans are being prepared to have the division join a managed care network. This would put the department on a list of health care providers along with PPO's and HMO's. Initial contacts have already been made and the division is in the process of getting certification and approval by appropriate agencies.

The options of going back to functioning only as a referral agency and/or privatizing services have been considered, but it is the opinion of Health Department officials that the existing quality level of service could not be maintained through either of these options because of the Township's lack of control over referral agencies and the lack of accountability by the other agencies for the funding received from the Township. We

believe, however, that a satisfactory competitive contract is possible and bidding would identify the true market value of these services. This would allow the Township to accurately compare its service costs to those market costs identified by the competitive contract. Expansion of these services is expected to result in increases in revenue to the Township.

The division is now an approved provider of Champus and Medicare. With negotiations underway to contract with managed care companies to maximize utilization of staff, the division applied to Rutgers and New York University (NYU) to become an approved site for student internship programs. The internship program with NYU began in January 1996 and the program with Rutgers is scheduled to begin in the fall of 1996. Both programs offer additional help to the Division of Human Services at no cost to the Township.

The division's Senior Citizen Outreach Worker (a part-time LCSW) has provided senior citizens with outreach, referral and mental health treatment services, such as therapy sessions, home visits, focal point meetings to familiarize seniors with county services and to give seniors an opportunity to voice their needs to service providers. The Singles 60+, including bowling and poetry groups bring seniors together to share common interests and to socialize. This division has established the programs and relied on the seniors to run them.

The *Division of Nursing* is headed by a Nursing Supervisor and support staff which include three full-time nurses, four part-time nurses, and one part-time clerical position. Services provided are extensive.

Maternal and Child Health Program services include:

- Newborn Visits (visits by Public Health Nurses for assessment, counseling and health information);
- Child Health Conferences (physical exams, immunizations, urinalyses, hematocrit, lead screening, growth and development assessment and counseling for children up to five years old and immunization availability for school age children);
- Special Child Health Services (a State program for children with handicaps and long term health problems); and
- Non-Public School Nursing Services for four schools, as well as Nursery School inspections for immunization requirements, safety and health regulations and public school health regulations. The Board of Education contracts with the Township for these services utilizing funding received from the State.

Community Health Program services include:

- Home Visits (health assessments, counseling and referrals);

- Periodic Health Screenings (cervical and breast cancer, vision and glaucoma, blood chemistry, hearing, hypertension screening, mammography, skin cancer, urinalysis and colo-rectal cancer);
- the TB Program (medical consultation, Mantoux skin test, medications and counseling); and
- the Communicable Disease Program (investigation/follow-up communicable diseases, information and counseling).

Other programs include offering Flu vaccine, health and and nutritional counseling and lead screening (risk assessment, environmental investigation and education).

This division has looked at the possibility of competitively contracting some services, but such a practice was found to be unacceptable by the Board of Health. For example, contracting with a local hospital for “chronic illness” for the same level of service in terms of clients served, would cost the Township an additional \$2,400. If the Township maintained the same expense level as it is currently operating under, but utilized a local hospital, it is estimated that only 65% of the clients would be served. Similar to our comments made earlier, we believe that competitively contracting for these services would, at the very least, enable the Township to accurately compare its service costs to that of the market.

The Nursing Division maintains a training contract with the Mountainside Hospital School of Nursing, which orients nursing students to the functions of a community nursing program. Nursing students visit on a weekly basis, which results in assistance to municipal nurses performing daily functions. This is similar to an internship program.

A new fee schedule was applied in the spring of 1995 to all services, increasing Nursing Division revenue by approximately 9%. Fees can be waived due to economic deficiency of clients.

Financial

According to the 1995 budget, the Health Department anticipated \$849,828 in expenses and \$234,020 in revenue. Based on these figures, departmental operations were 28% self-sustaining through fees and grant revenue. Municipal taxes provided the additional 72% of the revenue to operate the department.

Recommendation: Though the team has been very impressed by the quality and scope of services offered by all divisions within this department, we suggest that the Township review these programs and services to determine whether or not it has the ability to continue these offerings at the current levels of tax subsidy, given the difficult financial constraints under which the Township is operating. This is particularly true since the department is estimated to be only 28% self-sustaining.

We understand that the department has made previous attempts at securing alternative methods of service delivery in a variety of areas, but mainly due to

concerns regarding adequate quality levels and accountability on the part of the contracted agency, has decided to maintain the in-house responsibility for services. These considerations are certainly as important as any possible savings that may accrue through contracting. It is recommended, however, that the Township's service costs be continually assessed against market costs through competitive contracting to determine comparability and possible cost saving initiatives.

It is further recommended that the Township develop a policy regarding the amount of tax subsidy it deems appropriate for Health Department services and programs. We suggest that an average 50% rate of subsidy for the entire department, which would result in an additional \$190,894 in revenue based on 1995 figures, would not be an unreasonable goal. This average would take into account those services for which a greater fee is reasonable and those for which a lesser fee is all that is possible due to the financial status of the client served. Fees, where appropriate, should be reviewed and updated on a periodic basis based on the cost of service.
Revenue Enhancement: \$190,894

The other option, discussed in the Shared Services section, is to combine a whole host of health related services into a managed care hybrid. This could conceivably allow the Township to continue these services and programs at a lesser cost.

One area in particular which we believe might appropriately be reconsidered is the provision of mental health services at the municipal level. Though we acknowledge the quality of the program and we recognize the department's efforts to increase revenue for the service, we suggest that it is a service that may be provided less expensively than by the Township. In fact, we suggest that the Township consider two other options for the provision of mental health services. One option is to return to the Community Mental Health Services of Belleville, Bloomfield and Nutley, which the Township left in 1982. Based on the Township's cost of providing these services, which was roughly \$140,500 according to the 1994 audit, and the estimated cost to the Township to utilize this other organization for approximately \$40,000 - \$50,000, there is an opportunity to save between \$90,500 and \$100,500. This should only be done, however, if the outside agency commits, in writing, to the level of accountability for Township funds that the Township requires.
Cost Savings: \$90,000 - \$100,500

A survey of 15 municipalities in Essex County revealed that the majority of communities utilize a variety of non-profit agencies for the provision of this service, instead of employing in-house staff. Although the department does make limited use of non-profit agencies, we suggest that a further review of this opportunity is also warranted, given the cost of the Township's program.

MUNICIPAL WELFARE

Organization

The Municipal Welfare Department is headed by the five member Local Assistance Board which meets quarterly. The Director of the Welfare Office also currently serves as President of the Essex County Municipal Welfare Association and on the State Board of Governors.

Staffing

Staffing consists of the Director and a clerical employee who works half-time in this department and half-time in the Police Department. The department operates with a zero balance fund (PATFII) which is used only for expenses which are 100% reimbursable. This office maintains one of the lowest client caseloads in the County. Both staff members are on 24 hour call for emergency service.

Financial

Operational expenditures for the Municipal Welfare Department in 1995 totaled \$302,728 for temporary rental assistance, emergency assistance, nursing home clients, medicals, transportation, and client maintenance. One hundred percent of these expenditures are reimbursed by the State Department of Human Services.

The Welfare Office maintains a PATF1 account with a balance of between \$30,000 and \$40,000. In 1993, this office applied for and received permission from the State to use \$5,000 from this account to computerize the Welfare Office. On average, about \$2,000 from this account is used in any given year.

Recommendation: We recommend that the Welfare Director request permission from the New Jersey Division of Family Development to reduce the balance in this account to approximately \$2,000. Though this would most likely be a one-time benefit, the remaining \$28,000 to 38,000 could be used for other municipal purposes for the year in which the account is reduced. Further, a recommendation for statutory change regarding this account has also been made in this report.

Revenue Enhancement: \$28,000 - \$38,000

Programs

The Welfare Office maintains a Workfare Program. The program operates in conjunction with the Department of Public Works and includes a number of worksites under that department's responsibility for client employment. All clients are required to work 28 hours per month performing various functions. The work hours are randomly scheduled each month for each client as a mechanism for ascertaining that each client (welfare recipient) is in fact unemployed and readily available for participation in the program. This serves as an effective check on their eligibility for public assistance.

The public assistance offered to clients consists primarily of rental assistance, nursing home care, emergency assistance (e.g., food, shelter) and medical care. Meetings with individual clients take place monthly. These meetings verify their job search efforts and progress regarding Supplemental Security Income (SSI). Fraudulent claim recovery is minimal due to these proactive measures, including fingerprinting and photographing of clients which is also found to be very helpful.

As of July 1995, the County has taken over those nursing home cases of clients in Medicaid approved homes. Presently there are seven clients in non-Medicaid approved homes which remain the Township's responsibility. When these seven cases are closed, the County will become the sole provider of this service, thereby distributing across the County the \$130,000 in annual expenditures presently maintained by the Township of Bloomfield.

Social Security Income assistance is common, however, Bloomfield's approach to securing reimbursement of SSI eligible expenses paid out is notable. Many communities do not ensure such reimbursement and therefore lose that portion of the assistance that they've paid out which is duplicated by future SSI payments to the client. Bloomfield's procedure for assisting clients in receiving SSI is as follows. A GA-30 form is filled out and sent to the SSI office at the State, which verifies the eligibility of each client. If this office accepts the case, the first public assistance check is sent to the Municipal Welfare Office. The Municipal Welfare Office takes out whatever amount has been given to the client as per the eligibility date. If the Welfare Office does not receive a check due to failure of the client to qualify, the client is pursued and the Municipal Welfare Director seeks reimbursement for payments made per written agreement with the client. A GA-31 form is sent to the State describing local transactions for all SSI cases.

Caseload

The caseload, at any one time, averages between 65 and 70 cases, with several openings and closings per month. This is a relatively small caseload considering the population of Bloomfield. A nearby municipality of similar size is maintaining 300+ cases at any one time. For 1995, a total of 106 cases were opened and 105 were closed. There were 1,123 referrals for assistance that were referred out of the office. The most common referrals are to Essex County offices (e.g., Food Stamps and Home Energy), Social Security and the State Division on Aging. These agencies offer forms of assistance which are not available at the local level.

Re-organization

The Welfare Department and the Department of Health, or more specifically, the Division of Human Services in the Health Department share similar concerns for clients in many instances, e.g. money, food, housing, and medication for the needy.

The Division of Human Services is able to use its social work internship programs with local colleges to conduct welfare related fieldwork, such as client investigations. Unlike the Welfare Department, the Human Services Division is certified by the State to maintain and supervise an internship program for college students majoring in social work and related fields.

Human Services' employees could be cross-trained so that there would always be coverage for people with welfare related issues. In fact, Human Services personnel presently perform Welfare Department services to some degree when no one is present in

the Welfare Office. This practice is often hindered, however, because Human Services' employees do not have access to needed resources, such as food vouchers and money for emergencies.

All Human Services' staff members are licensed clinical social workers and are capable of performing both "concrete" and "clinical" functions. Welfare operations are an example of "concrete" functions.

Recommendation: We suggest that the Township give consideration to placing the Welfare Office under the Division of Human Services of the Department of Health. Making welfare operations one component of the Human Services Division could be economically beneficial, as well as operationally sound in that it could result in both operational efficiencies and staff reductions.

Cost Savings: \$59,615 in salary (for both positions) and benefits (only for director)

RECREATION

Organization

The Department of Recreation is headed by the Board of Recreation Commissioners, which consists of seven members. The Board provides for the care, custody and control of the Civic Center, where the department is housed, as well as oversight of the department. The department's budget is funded by municipal taxes, as well as through fee revenue.

Staffing

Staffing consists of a Director, an Assistant Superintendent, one Program Coordinator, three maintenance workers, two drivers for the Mini-bus Program and two clerk/typists. There is also some part-time seasonal employment (four or five workers) for grass cutting, playground and ballfield maintenance (garbage pick up and general area cleaning). Program instructors are responsible for primary supervision of their programs.

Functions

The major functions of the Department of Recreation, or those which in combination make-up more than 65% of the work performed, include the following:

- Program Supervision;
- Bus Driving for Senior Citizens;
- Cutting Grass and Maintaining Grounds;
- Checking Fields and Field Activities;
- Scheduling Events and Activities;
- Repairing Equipment; and
- Setting Up Rooms and/or Playgrounds for Activities.

Other functions include collecting garbage, painting facilities, preparing and processing capital improvement requests, recruiting part-time personnel for specific activities and maintenance and performing a number of administrative functions, such as handling inquiries and fee payments, processing payroll time sheets and purchase orders and preparing the departmental budget.

A state "Recreation Opportunities for Individuals with Disabilities" grant is provided to the municipality supported by a 20% local match. The "Canteen" is a program funded by this money, allowing handicapped individuals to socialize weekly by taking part in arts and crafts, physical education activities, and holiday parties. The Summer Program includes a "Boys and Girls Club" from 9:00 AM to 3:00 PM daily during the summer where the children engage in an assortment of activities. Some of the grant money is also contributed to the school system to support participation of handicapped students in the Special Olympics each year.

The department offers a bus transportation service for the Township's senior citizens. This consists of two buses that take the senior citizens to designated stops throughout the municipality. The most common use of this service is for shopping. The buses are in operation all day, Monday through Friday. There is no service on Saturdays and minimal use on Sundays (primarily for religious services, which are in the morning only). Most of the senior citizens who utilize this service come from one of two senior citizen complexes. There is an average of 45 riders per bus each day, Monday through Friday with peak days being Thursdays and Fridays. Many of these riders are getting on and off the buses several times per day. Sunday mornings average 30 riders per bus. There is also a slight increase in the number of riders in the summer months.

This service requires two bus drivers, each of whom works 38 hours per week. One bus carries a total of 22 passengers and the other carries 18. Due to Sunday church transportation and special programs which are held on weekends and holidays, the Recreation Department budgets for overtime. The 1995 modified budget allocated \$1,850 in overtime, and as of December 27, 1995, the department expended \$1,595. The overtime was primarily for work on Sundays. Staggering drivers to have one work Sunday through Thursday and the other work Monday through Friday is an alternative to paying overtime. It would not, apparently, be a popular one due to both rider demand (volume) and route demand (destination). Both buses are needed on all weekdays to maintain the level of service that currently meets individual preferences of the senior citizens.

Recommendation: We suggest, although this or other alternatives may not be popular and would result in relatively minimal cost savings, that the Township at least consider a scheduling change. We believe that, in these difficult economic times, it would not be unreasonable for the Township to make a scheduling revision, even if it only saves on overtime costs.

Cost Savings: \$1,600

Unlike a number of municipalities comparable in size, Bloomfield does not have a community swimming pool. As a result, until recently, opportunities for children to receive swimming instruction was minimal, e.g., “Y” programs in neighboring municipalities. This led to the development and implementation of a swimming lessons program by the Recreation Department. Through the cooperative efforts of the department and a local private sector business, swimming lessons are now being provided yearly for 50 to 70 children through a rental agreement with the World of Fitness. The rent being charged is deemed appropriate by the Recreation Director. Both rent and instruction cost are covered by user fees, while the cost for the lifeguard is covered by the Township. This demonstrates an excellent example of a local business working to play an active role in community service.

Recommendation: We encourage the department to continue to seek other public/private partnerships for the delivery of recreational services.

Financial

Departmental expenses for 1995 totaled \$600,423, including \$376,458 in salaries and wages, \$85,572 in benefits and \$74,390 in other expenses. The Township generated \$71,017 in dedicated revenues which are returned to the department.

Approximately 88% of the programs in the Recreation Department are paid for by taxes with only 12% of the program expenses supported through fees. This is an increase of 12% in self-sustaining revenue compared to two years ago. Fee increases have purposely been gradual so as not to discourage participation. Recreation program fees vary, based on the initial cost of the program, plus variable costs for equipment and supplies, instruction, facility use, printing, tee-shirts, hats, etc. Adults are charged a base fee of \$10 per activity and then equipment charges and staffing charges are added on; for children the base fee is \$5. Certain programs, such as sports clinics and senior citizen sponsored programs for children are offered at no cost due to the volunteer efforts of high school coaches and senior citizens.

Fees for the 1996 Summer Recreation Program are slated to be raised from \$50 to \$60 with special family/sibling rates. This is expected to generate an additional \$5,000 in revenue and will make the program approximately 15% more self-sustaining. This appears to be one of the most successful programs run by the Recreation Department. This program represents a cooperative effort with the school system, which is able to provide indoor activity space free of charge, since there is already a custodian on duty with a “black seal” license on a daily basis. Participation in the program has grown from 40 children in the summer of 1994 to 200 in the summer of 1995 and is expected to continue to grow. The summer recreation program was formerly an unstructured activity with equipment and minimal staff at township park sites. It is now a structured program in two park sites, for two separate age groups. A related program is the Summer Playgroup, which includes half-day sessions for 4 - 5 year olds. Participation in this program has doubled since last year.

Consideration has been given to raising fees for various activities, but it is the perception of the Director of Recreation and the Recreation Commission that raising fees, other than for the Summer Recreation Program, would result in a “backlash” by disgruntled members of the community if they were raised too quickly in a short period of time.

The municipality waives the fees for recreation programs, including the Summer Recreation Program, for those who cannot afford to pay. On average, this amounts to about 7% of all participants. Eligibility of recipients is based on such criteria as the participant being a public assistance recipient or the participant being qualified for free school lunches. It is difficult to quantify the cost of this practice to the municipality because of the wide range in fees for various activities and the lack of adequate computerized records. With better records, this cost could more easily be quantified.

Green Acres’ funds have also been utilized in Bloomfield. In the past ten years Green Acres’ funds have been used to provide lighting for ballfields and to construct tennis and bocce courts and develop parking and picnic areas. There are no further plans for use of Green Acres’ funding at this time.

CDBG (Community Development Block Grant) funding, which is designated for projects which serve low and moderate income individuals or locations is utilized annually by the department. This money is used primarily for park improvement initiatives. Of the \$400,000 received in 1995, \$350,000 was put into improving Wright's Field, field upgrades for other sites, creation of a softball field, building of an accessible concession stand/restroom facility, and development of a tot-lot. The remaining \$50,000 was used for Brookside Park improvements, which included playground equipment additions to make it more of a passive recreation area.

Recommendation: Understanding the philosophical differences surrounding fee based and non-fee based programs, it is recommended that the Township develop a policy regarding the amount of tax subsidy that the Township deems appropriate for recreation activities. We suggest that an average 50% rate of subsidy, which would result in an additional \$229,195 in revenue based on 1995 figures, would not be an unreasonable goal. Fees, where appropriate, should be reviewed and updated on a periodic basis based on the cost of service. Programs that reach a broader, less defined audience might remain free of charge since they are open to and of potential interest to *all* residents, not just a specific subgroup of users.

Revenue Enhancement: \$229,195

Restructuring

The anticipated retirement of the Assistant Superintendent of Recreation would give the municipality the opportunity to restructure this department to include more parks functions and to save a substantial amount of money. The restructuring would call for transferring the greens operation from the Department of Public Works to the Recreation Department. This move would include the transfer of three DPW maintenance workers (laborers) and one supervisor to the “Parks and Recreation” Department. Most of the

park work is done from about March through November, coinciding with most outdoor recreational activities. During the winter, maintenance workers normally assigned to the Department of Recreation are on call to DPW to assist as needed. This sharing of human resources during the winter should continue with all greens workers.

Recommendation: Consideration should be given to restructuring the Recreation Department to include parks. A major benefit of this re-organization is that it would provide for more direct control of park maintenance, a highly visible function. The elimination of the Assistant Superintendent position and the transferring of the current DPW greens crew would provide for the supervision necessary under this re-organization, while saving on staff costs. We estimate the savings under this re-organization to be approximately \$84,500 after elimination of the one position. An additional savings of an estimated 50% of the budgeted overtime, or approximately \$4,750, could also be anticipated.

Cost Savings: \$4,750 in overtime

\$84,500 in salaries and benefits

Youth Groups and Volunteer Organizations

There are a number of youth groups and volunteer organizations in Bloomfield. These youth groups primarily consist of organized team sports, e.g., Little League baseball and soccer teams (which are intra-mural) and football (which is inter-mural). Fund raising by these groups has greatly benefited the municipal fields and facilities. For example, youth groups have financed, provided the labor for, and implemented the following:

- creation of a new baseball field in one of the parks;
- upgrading of existing baseball fields;
- donation of dugouts and batting cages; and
- conversion of an existing infield from clay to grass.

The municipality is responsible for maintenance of the fields and gives some degree of priority regarding use of the fields and facilities to the youth groups which made the contributions, within the constraints of the Green Acres' contracts.

The department maintains liaisons with three local agencies: the Federation of Music, the Bloomfield Art League and the Federation of Tennis. Activities for these agencies are funded partially by the department and partially by the agencies themselves. For example, the Federation of Music purchased the band shell used for outdoor concerts during the summer and the Federation of Tennis pays for lighting via entry fees for tournaments. The municipality works closely with these agencies because they promote cultural and athletic activities for the community, a responsibility that would otherwise be left to the Recreation Department. Under this type of arrangement the municipality only pays for certain costs, e.g., the conductors' and art instructors' salaries (without benefits). Use of municipal facilities (the Civic Center for music rehearsals and art classes) and property (the Town Green for outdoor concerts) present no additional costs to the municipality.

There are currently no written contracts, however, between these agencies and the Township which define these cooperative agreements. All arrangements are handled on a verbal basis.

Recommendation: While it is not the team's intent to inhibit the positive, cooperative arrangements that exist, we suggest that the Township Attorney be requested to review statutory rules and regulations regarding the private use of public facilities and services. We believe that formal agreements should be developed between the agencies and the Township to ensure documentation and implementation of the public benefit derived from such agreements. In addition, agencies should be required to provide evidence of adequate insurance for their activities which names the Township as "additional insured."

MUNICIPAL COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the Township with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judicial personnel.

Organizational Structure

The municipal court currently has a staff of nine people, headed by the Court Administrator. The Court Administrator should be responsible for all financial transactions in the department including bank reconciliations and fund disbursements to other governmental agencies, however, at least through the end of 1995, he shared some of those responsibilities with the Municipal Judge. In addition, the Court Administrator is one of two staff people authorized to take complaints from private citizens. The Deputy Administrator supervises the office staff, manages adjournment notices and criminal payments and is also authorized to take complaints. The two assistant violations clerks receive and process payments, process complaints, handle dispositions to third parties and handle paperwork related to warrants. The two full-time clerks are responsible for entering traffic tickets into the computer system and for processing mail-in payments. The two part-time clerks are responsible for mail distribution, phones and filing.

Workflow/Workload

Summonses are issued by a variety of agencies, such as the Township (police or other departments), State Police on the Garden State Parkway and the Essex County Park Police. In addition, the Court Administrator occasionally accepts complaints directly from private citizens. The operation is divided into two distinct areas, traffic and criminal.

Based on data contained in reports submitted to the Administrative Office of the Courts, the court receives an average of 3,000 new traffic summonses each month. An estimated 75 to 80% of the summonses are for parking violations. The remaining are for moving violations. An equal number of traffic cases received are disposed of each month.

However, the court is currently backlogged in dealing with those who fail to appear for a scheduled court date. In September 1995, well over 7,000 traffic cases were not disposed of because of the defendant's failure to appear. Almost 300 of these cases had been held for more than 120 days. As of January 1996, the court was reportedly six months behind in processing Failure To Appear notices (FTA's) for traffic summonses, and now remains 90 days behind schedule. The Court Administrator attributes this backlog to a number of things, including poor coordination with the Department of Motor Vehicles, staff attendance problems and a shortage of the necessary forms. However, proficient use of the Automated Traffic System, the computer system used in Bloomfield and many other municipal courts, would minimize or eliminate the need for human intervention and allows for electronic processing of FTA notices. FTA mailers are available from virtually all computer supply vendors and should not pose ordering or stock problems.

It appears that similar backlog exists on criminal complaints. Almost 235 cases, through November 1995, were reported as failure to appear to answer criminal charges. A reported 166 criminal cases were added while only 125 cases were disposed of, also through November 1995. In criminal cases, the Township does not send a failure to appear notice, but does issue a warrant.

The 1994 Audit Report found, among other items, the following deficiencies within the Bloomfield Municipal Court. There were 8,404 tickets assigned, but not issued in excess of 180 days. There were also 420 tickets issued that were not assigned. Since the release of the audit, the Court Administrator has reportedly reduced the number of tickets assigned but not issued to less than 1,200. In addition, the court does a monthly reconciliation of tickets to control the number of tickets issued but not assigned.

The team also found a two and one half year backlog in reconciliation of bank statements. This responsibility is currently handled by the Municipal Judge, though it should be that of the Court Administrator. The Municipal Judge has been unable to find the time to address this backlog problem. A review of previous years' audits shows a number of financial record keeping comments for the municipal court. Many are repeat items that obviously remain uncorrected. The true financial status of the court cannot be determined if financial record keeping is inadequate. It should be noted that the Court Administrator has recently stated that record keeping has been improved in 1996.

Recommendation: We suggest that the considerable problems identified in the court be monitored closely and improved immediately, particularly in light of the fact that many items have been noted as in need of improvement in prior years' audits. The Court Administrator should seek guidance from the Administrative Office of the Courts on bank reconciliation backlog reduction and other financial management procedures, as well as improved case management techniques, and should seek assistance from the Township in dealing with staff concerns. Proper supply planning and ordering should be implemented.

Time Payments

As of the December 8, 1995 court report, there were 331 time payment accounts that fell into a variety of categories requiring action. These include delinquent accounts, accounts for which bad checks have been issued as payment, accounts for individuals whose licenses are eligible for suspension, and accounts for individuals whose licenses have been suspended. These accounts represent \$123,422 in revenue due the court. Of these 331 accounts, 182, or 55% of all of these accounts are for individuals whose licenses are either eligible for suspension or have been suspended, and they represent \$58,000 in revenue due the court. There are apparently no further actions, such as issuing warrants and/or filing civil judgements against the delinquent payors, being taken by the court to pursue these individuals and recover this revenue.

Recommendation: The court is encouraged to aggressively pursue and exercise all permissible procedures in the collection of revenue due the court. If the situation persists, the governing body should feel free to contact the County Assignment Judge to discuss this matter and/or request a review by the Administrative Office of the Courts to assist the court in its case management process.

Revenue Enhancement: \$58,000

LAW

Organization/Staffing

The Director of the Department of Law is the Township Attorney. The staff includes an Assistant Director, who is the Assistant Township Attorney, a prosecutor and a secretary. More recently, the department has added a clerical position from the Township Clerk's Office who is primarily responsible for maintaining files on claims brought against the Township. The two attorney positions and the prosecutor's position are part-time. The attorneys share responsibility for a portion of the litigation facing the Township, for the Rent Leveling Board, tax appeals, for Planning Board and Zoning Board legal services, as well as general legal services for the Township Council and administration. There is one legal stenographer who provides support to the legal staff, such as preparation of general and Superior Court correspondence and preparation of State and Local police reports. She also serves as the workers' compensation coordinator.

Other legal services are secured from outside legal firms for specific matters, such as labor negotiations and workers' compensation litigation. We were advised that the Township Attorney reviewed and managed all legal services, however, this does not appear to be the case based on our observations. A variety of outside legal services appear to be obtained without the direct involvement of the Township Attorney.

The annual expenditure report for 1995 indicated that approximately \$200,000 was charged to the legal services line item. However, the legal department records only showed expenditures of approximately \$100,000. The "vendor" list did not completely reconcile the difference between the two documents. Our review of the annual expenditure report indicates that there may have been items charged to the legal account

that are more appropriately charged elsewhere, such as for the secretary and consultant for the Township's Insurance Commission.

Of a total of 23 legal service vendors listed on these reports, the review team was provided with only three letters of engagement to document the agreement between the Township and the vendors. To our knowledge, there are no other agreements or formal contracts for the remainder of these vendors. Services included in these matters were related to tax appeals, insurance claims, labor negotiations, Planning and Zoning Board cases, and litigation.

Recommendation: We suggest that consideration be given by the Township Council to combining the two part-time attorney positions into one full-time staff attorney position, with appropriate contracted legal support on an "as needed" basis. This would provide a much needed streamlined, focused approach to legal services. In salaries alone, we believe that the Township could save approximately \$25,000 - \$30,000 by combining the two part-time attorney positions into one. Health benefit savings would also be realized, but these were already taken into account in our recommendations under the Health Benefits section of this report.

However, if the Township should decide to maintain the current multiple attorney arrangement, we strongly suggest that the Township Attorney play a much greater role in terms of contracted legal services. The Township Attorney should be responsible for ensuring that outside legal services are indeed warranted, that formal written contracts are developed and that charges are appropriate. The use of outside counsel, we suggest, should be limited.

Cost Savings: \$25,000 - \$30,000

Another possibility for the Township to consider would be to receive proposals for the various legal services required to determine whether there would be cost savings available through total contracting of legal services by type, i.e. general counsel, labor negotiations, litigation, etc. In order to adequately and fairly judge the quality of the proposals, the Township must prepare a detailed "Request for Proposals" that completely outlines the scope of work to be performed and other expectations and qualifications required of the firm submitting a proposal.

Workload

We have been informed that the two Township attorneys have at least 26 major cases pending before the courts filed by claimants against the Township. These cases are in various stages of litigation. According to the attorneys, the Township is typically successful in defending most of these cases, however, no information was provided to the review team regarding the disposition of the current cases. In addition to these cases, an estimated five tax appeals are pending and at least one Planning/Zoning Board case is being litigated.

The Township contracts out all workers' compensation cases. At the time of our review, approximately 57 cases were pending, with the potential liability to the Township of \$450,000.

Record keeping in the Law Department is significantly backlogged. The Legal Stenographer indicated that filing has been backlogged for the past ten years. There was a computer in the department that is not being used, reportedly because of the lack of time to devote to learning its use.

Recommendation: We believe that the staffing alternatives suggested above would help streamline the work and alleviate the backlog that currently exists due to a more concentrated focus on the department's operations. While it may take some time to learn the use of the computer, we believe it would be well worth the effort and would provide the department with more substantial and timely record keeping capabilities.

PUBLIC WORKS and ENGINEERING

Organizational Structure

The Department of Public Works is generally divided into three divisions: engineering, public works and electrical. There are close to 60 employees who operate under nine different public works and engineering functions within these two divisions, in two locations. The engineering staff offices are located in the municipal building and most of the public works' staff operate out of the Grove Avenue garage. The Public Works Director/Township Engineer has an assistant municipal engineer who serves as a deputy director and assists in the overall operation of the department. Second level management positions include a vacant Supervising Principal Engineer position, a Superintendent of Public Works and a Superintendent of the Electrical Division.

The engineering function is responsible for the review of Planning and Zoning Board applications, the monitoring of water consumption patterns and sewerage flows, and all general engineering tasks. The Township Engineer represents and coordinates the Township's interests at the North Jersey District Water Commission, as well as three separate joint meetings for sewage treatment. In addition to the Township Engineer and the Assistant Township Engineer, the engineering section includes authorization for 11 positions, including nine professionals and two clericals. The Supervising Principal Engineer position is currently vacant and there are five other non-clerical positions vacant in this section. These positions have been vacant for an extended period and the Township Engineer has no plans to fill them. The engineering section also has a recycling coordinator who manages the recycling program.

The Public Works Superintendent has six supervisor/forepersons who supervise a staff of 41 people in various areas, including water, sewer, roads, shade tree, greens, electrical and garage services. Within these disciplines are 13 civil service titles. This section has

primary responsibility for maintaining major systems (water, sewers, roads), equipment, vehicles and facilities within the Township.

The Electrical Division currently includes one Electrical Superintendent, two staff and one vacancy. This function is reported as responsible for the maintenance of lighting at recreational facilities, the train stations, the civic center, water and sewer meter circuits, police and fire boxes, emergency generators and electrical systems in all Township-owned facilities. In addition, this division provides the electrical support for all special events in the Township. The Township was unable to provide the team with adequate workload data regarding this division, however, based on the information we were given, there appeared to be a number of activities undertaken by this staff that are unrelated to electrical work, such as the removal of basketball courts, checking the roof for leaks, painting fire boxes, and trimming trees. Though we realize that some of these tasks may be ancillary to the electrical work being done and is, therefore, why these tasks are handled by electrical division staff, we believe that there may be an opportunity to dissolve this entire division and simply contract out for necessary electrical services.

The Department of Public Works also has a Supervisor of Building Maintenance who reports to the Director/Township Engineer and has an office in the municipal building. This position is reported to trouble shoot problems in the municipal building. The department contracts with a non-profit organization to do general cleaning of the municipal building. There are two full-time maintenance staff members who are assigned to the Traffic Bureau within the Police Department. These two positions provide assistance to the police in maintaining regulatory and warning signs. Within the Public Works and Electrical Divisions of the department there are 13 non-supervisory titles, eight supervisor/foreperson positions and two superintendent positions. It is not clear why there are two superintendent positions and many of the supervisory/foreperson positions appear to be similar in nature. The Department Director has expressed interest in reclassifying non-supervisory staff, such as drivers and laborers into a generic title of Public Works Repairer. This reclassification would allow more flexibility in how non-supervisory personnel are used and better reflect the way things are currently functioning in the Public Works area.

While staff are organizationally assigned to specific areas, we found most of the staff to be multifunctional. Depending on the priorities within the department, employees are shifted to a variety of functions on an “as needed” basis. For example, the annual leaf removal program requires that staff be shifted from shade trees and greens maintenance to assist the roads section in this function. Snow removal also requires that those in specialized areas be shifted to roads to complete the job. Occasionally, this coordination of functions will also include staff from the electrical division. The vehicle mechanics, in the garage services section, generally maintain their vehicle maintenance functions year round. Within the Garage Services Section, an Office Manager operates as a business manager for the entire department. A Timekeeper maintains employee time records and an Account Clerk coordinates the purchasing for all sections within the Department of Public Works.

The two superintendents have been on the job for an average of 39 years each. Each has indicated an intent to retire within the next 12 to 36 months. The average supervisor/foreperson has almost 28 years of service. At least two of these individuals have indicated that they will be retiring within the next two years. A sampling of the longevity of non-supervisory staff suggests that most have been on the job an average of ten years.

The Township currently has one three person crew plus a supervisor/foreperson responsible for the care and maintenance of all shade trees. The cost of this crew is more than \$200,000 per year in wages and benefits, alone. The Township had formerly contracted out this operation to supplement the in-house staff by utilizing funds from the Community Development Block Grant. However, this activity was determined to be ineligible for grant funding and was discontinued after the first year of the contract. This situation would have allowed the Engineer to follow through on his plan to section off areas for routine shade tree maintenance. The Township is now essentially performing this function on a request basis with staff who may also be assigned to other functions during any given day.

We have reviewed a 1995 private contract for shade tree maintenance in another community and found the per tree cost for maintenance or removal to be approximately \$360. Bloomfield has no information available on the total number of trees in town. However, based on this sample bid, the Township could maintain an estimated 556 trees for the total amount it now costs to staff this function with in-house staff, not including material and supply costs.

Recommendation: We recommend that the Township consider a re-organization of the department, which would include the separation of the public works and engineering functions, the elimination of the entire electrical division and the contracting of those services, the privatization of shade tree maintenance or the development and implementation of a shared services agreement with the School District using that staff, and the re-assignment of the greens crew to the Recreation Department. We believe that the level of responsibility and the workload currently handled by this department warrant the separation of the two main functions and the other organizational changes suggested. This would allow the Engineer greater time to focus on engineering matters, without the distraction of public works' needs and requirements. Also, we believe that greater direct supervision of the daily affairs of the public works' operation is necessary. We feel it is somewhat unfair to place this type of workload on an Engineer already burdened with the responsibilities of engineering work related to the Planning Board, Zoning Board, water utility, sewer system, design for road and other projects, and the general engineering affairs of the Township. Little engineering work is contracted out, except for special projects, such as water line and dam repair. This recommendation is not at all a reflection on current management capabilities, but rather on what we believe to be a near overwhelming scope of responsibilities for

one individual. We do, however, suggest one further option for the Township's consideration under the Community Development and Inspections section of this report.

This re-organization could also consolidate functions and reduce supervisory positions. Water and sewer maintenance might best be organized under a single function. We suggest that the Office Manager currently located under the Service section, but performing the function for the entire department, report directly to the Superintendent of Public Works. We support current efforts to convert multiple titles into the single title of Public Works Repairer, most appropriately done with drivers and laborers. We estimate that this re-organization could result in a savings of at least \$400,980 in salary and benefits.

This savings, however, would be somewhat mitigated by the cost of a shade tree maintenance contract and the cost of an electrical contract if it does not become part of a shared service arrangement with the school district. Since the information provided to the team in both of these areas was insufficiently detailed, we were unable to develop estimated contract costs to offset some of the savings. In light of the above information, we suggest that the Township first define the total amount of work required in this area and then consider whether privatizing the shade tree function would be more effective in the maintenance of shade trees. Without an accurate number of trees to define the scope of work, an analysis of savings cannot be made at this time.

Cost Savings: \$400,980 (less contract costs)

Should the Township pursue the computerized attendance system suggested earlier in this report, there would be an opportunity to consider eliminating the Timekeeper position at a savings of \$36,187 in salary and benefits.

Cost Savings: \$36,187

Public Works Garage Working Conditions

Working conditions at this facility are deplorable. In addition to not being energy efficient, the facility is barely habitable and hazardous materials such as asbestos have been discovered on site. This facility was cited this past November by the State Office of Public Employee's Safety for violations to the Federal regulations for employee safety. A total of 11 hazards or violations were documented during an October 6, 1995 inspection. These violations ranged from building conditions which create a hazardous workplace to the lack of proper signage and recordkeeping. Our tour of this facility found gaping holes in the walls, broken windows and bird droppings on the second and third floors of the facility. The conditions appeared to be much worse than reported in the October, 1995 inspection report.

New Jersey Transit is interested in using this property as part of its plan to expand rail service between Newark and Belleville. They have met with the Township several times and currently have a plan pending before the Federal Transit Administration which

includes the takeover of the current DPW facility. Preliminary indications are that this project is receiving a favorable response from the Federal Transit Administration and is expected to be approved on/or before June 30, 1996. The Township has requested that NJ Transit build a new DPW facility in exchange for taking over this property, however, NJ Transit is still considering its options.

Recommendation: We suggest that the facility be replaced as soon as possible based on New Jersey Transit's plans to purchase and redevelop the property.

Management Practices - Public Works Garage

The Public Works' Garage serves as a parking facility for Township-owned vehicles other than cars, a refueling station for all Township vehicles, and storage areas for automotive parts, power tools, and electrical parts. It also contains a mechanic's shop for servicing Township vehicles, an electrical shop, and a purchasing and timekeeping area in which all purchasing and maintenance of employee time record tasks are done.

Though employees are required to punch in daily at a timeclock, the time cards are not forwarded to the Township payroll office to verify hours worked. Time sheets are submitted to payroll based on time recorded by the Timekeeper. The time cards remain at the garage, and to our knowledge, are not reviewed by any management staff as a check on the accuracy of the time sheets or the punctuality of the employees.

Storage areas for both electrical and vehicle parts were largely unsecured and there appears to be inadequate inventory control over materials and supplies. There also appeared to be a considerable number of obsolete items that may no longer of use to the department, such as outdated traffic lights and fire boxes, however, some of the may be used for replacement parts for certain equipment that is still in use in the Township. Purchase orders are seemingly processed without due concern for the current inventory of the product. Though we are not suggesting its actual occurrence, the disorganization of current operations lends itself to the potential for theft and/or abuse of materials and supplies due to the lack of adequate control mechanisms.

Recommendation: A computerized inventory of all equipment and parts should be taken and maintained on a continual basis. Adequate control mechanisms should be instituted to prevent the possibility of theft or misuse.

Recycling

The department contracts with the First Occupational Center of New Jersey, a non-profit organization, for its recycling program. Under the terms of this contract, the occupational center will pick up recyclables from residences for deposit in large bins located at the Public Works Garage. Recyclable materials produced \$298,553 in revenue in 1995 for the Township. This revenue offset the estimated \$282,000 cost of the services provided by the Occupational Center. The Township competitively bid the pick up of recyclables, but found that no one could compete with the Occupational Center.

Capital Improvement Projects

The department receives \$2 million annually in capital construction funds. These funds are used to resurface roads and maintain the sewer and water systems. The department has a five year plan for resurfacing roads which is updated annually. This plan identifies the condition of roads throughout town and classifies them within a range of 100% defective to newly resurfaced. Those that are 100% defective receive priority for resurfacing with current year capital construction funds.

The Township has recently awarded a contract to install new water meters throughout the Township. Most current meters are thirty to forty years old. The \$1.2 million contract will provide 1,100 meters with remote reading capabilities. Once the project is completed, meter reading will no longer require that the Meter Reader gain access to the house. It is expected that the new meters will increase accuracy and reduce current differences between consumption amounts recorded by the department and billing amounts recorded by the Meter Readers in the Finance Department. This project was funded from the Water Utility Fund.

The Township is also in the process of replacing the water system lines. This project, which began in 1985, is reported to be 70% finished and is expected to be completed within five years. Completion of this project is expected to eliminate leaks in the system and thereby also provide for more accurate consumption and billing rates.

Recommendation: We are supportive of the Township's much needed efforts to improve its water service infrastructure. We believe these actions will result in increased revenue due to improved recording and billing abilities and decreased loss of water due to defective lines.

Water Utility

The Township has a complex arrangement for its water supply. Bloomfield is a partner in the North Jersey District Water Supply Commission and has an allocation of 6.5 million gallons per day (mgd). However, the transmission lines from the Commission are not capable of supplying water to the entire town. Therefore, the Township has entered into an agreement with the City of Newark to provide water.

Under this agreement, the Township transfers its 6.5 mgd allocation from the Commission to the City of Newark, who in turn supplies water to Bloomfield from the Newark-owned Pequannock Water System. In effect, the City of Newark is indirectly providing the Township with its allocation from the Commission at cost. An analysis of consumption patterns over the past two years shows that Bloomfield consumes approximately 5.9 mgd or .6 mgd less than the amount allocated from the Commission. Records indicate that average daily consumption fell in 1995 by 60,000 gpd compared to 1994 patterns of 5.87 mgd to 5.81 mgd in 1995. This drop in consumption is not significant. However, when compared to the 6.5 mgd allocation that the Township is purchasing from the the North

Jersey District Water Supply Commission, there is a significant difference between the amount Bloomfield consumes and the amount they are allocated and purchase.

The Township is making payments to both the Commission and the City of Newark. An amount of \$1.38 million was budgeted in 1995 to satisfy payments due to the Commission and maintain the Township's 6.5 mgd allocation. An additional \$.45 million was budgeted in 1995 to satisfy payments to the City of Newark for the 5.81 mgd average daily consumption.

The cost of water supply is paid from the Water Utility Fund which generates more than \$4 million annually in revenue from property owners. A significant portion of this revenue is used in the municipal budget to reduce the tax burden. In fact, \$950,000 of the water utility surplus was included in the 1995 municipal budget as anticipated revenues. The Water Utility Fund also supports the cost of water revenue and maintenance staff, the cost of replacing transmission lines and the cost of replacing meters. In addition, it is our estimate that at least \$325,000 is spent annually from the water utility fund for non-water related expenses, such as general government salaries, materials and supplies.

In addition to the water purchased from the North Jersey District Water Supply Commission, there is an average 1.7 mgd difference in the amount of water billed versus the water consumed on a monthly basis. Records show that there was an average monthly billing for 4.1 mgd compared to an average monthly consumption of 5.8 mgd in 1995. In effect, 29% of the amount of water consumed is unaccounted for and therefore not billed. This represents more than \$1.7 million in lost revenue. The industry standard for the difference in water consumed versus billed is 5 - 10%, which in Bloomfield's case would represent approximately \$607,550 in lost revenue using the higher percentage, or \$1,092,447 less than is currently "lost." Normally, much of the difference is due to water used in street sweeping and fire operations and bypasses when a meter is temporarily put out of service while a line is cleaned. We believe that the capital improvements now underway will greatly reduce the amount of water that is consumed but not billed under current conditions.

The cost of water service is based on consumption and is set at a flat cost per gallon rate charge for all users. Prior to the governing body's acceptance of the recommendation made by the current Chief Financial Officer to institute this flat rate, the rate was actually decreased for water consumers above a certain usage level. This meant that local residents subsidized the cost of the water consumption of the higher users, or the industrial and commercial consumers.

Recommendation: To lose 29% of the water purchased is unacceptable and we fully support the Township's current efforts to curb a great deal of this loss through capital improvements. However, we suggest that the Township make further efforts to identify and bill for every gallon of water used to eliminate as much of the loss as possible and practical.

It is clear from our review that the Township of Bloomfield is largely without choice as to its source of water supply. Except for capital improvements already underway, Bloomfield's only opportunity to improve efficiency or reduce costs may be through streamlined administration of the water utility. Though we do not believe that there would be tremendous cost savings or revenue enhancements under a different administration arrangement, we suggest that the Township explore the possibility with other water utilities or service providers. For example, we support the Township's current efforts in seeking proposals from a private vendor for services.

We further suggest that the Township request an initial assessment of their operations by the East Orange Water Commission. This could be done at no cost to the Township and could result in an economical proposal to handle administrative tasks ranging from billing services to total operations. Competitive proposals from various vendors should provide the Township with alternatives for the administration of the utility.

We recommend that the Township review all water utility expenses for their appropriateness as charged to the utility. All non-water utility related expenses, estimated to be at least \$325,000, should be charged against their applicable line items in the municipal budget. While we recognize that this is a practice that has been ongoing in Bloomfield Township and many other communities for many years, we still believe that utility charges should be appropriately tied to utility services.

Further, we suggest that the Township combine its water and sewer service functions into a water/sewer utility and appropriately charge all related costs for both services to that utility. We believe this will provide for a more accurate and direct accounting of water and sewer services and will provide for costs based on actual consumption.

Sewer Operations

The Township of Bloomfield has three separate arrangements for handling its sewer collection. These include the Nutley-Bloomfield Sewer Agreement, the Second River Joint Meeting (Bloomfield, Belleville, East Orange, Glen Ridge, Montclair, Newark, Orange) and the Third River Joint Meeting (Bloomfield, Glen Ridge, Montclair). In addition to these arrangements for collection, the Township also contracts with the Passaic Valley Sewerage Commission for the treatment of its sewerage. Township sewer maintenance staff are responsible for monitoring and maintaining the main sewer pipes throughout town.

Prior to 1962, Bloomfield and Nutley each had responsibility for maintenance of the pumping station under their agreement on an alternating year basis. However, in 1962 the towns amended the original agreement and placed sole responsibility for maintenance on Nutley. Bloomfield now pays Nutley for its share of the cost of maintenance based on its proportion of the metered sewage flow entering the pump station, as well as for flow in a small section of town. The amount budgeted by Bloomfield in 1995 was \$83,000.

The cost of collection under the Second River Joint Meeting is determined by an agreed upon percentage of assessment of all members, which is based on the total flow as measured at the Second River Venturi Meter and the individual members' annual water consumption contributing to that flow. Bloomfield pays 32% of the assessment, which was \$21,000 based on the 1995 budget.

Bloomfield's budgeted cost in 1995 for collection for the Third River Joint Meeting was \$1,100, which is 37.4% of that total assessment.

Total costs for sewerage collection and treatment will vary depending upon the rates set by the Passaic Valley Sewerage Commission and the condition of the collector pipes throughout the system. Bloomfield Township has very little control over any of the costs associated with these agreements, but appears to be an active participant in the Joint Meetings and the Commission to the extent possible.

The Township spends an estimated \$2.5 million annually on its sewer operations, including contractual obligations, staff, materials and supplies. This equates to approximately 12.5 tax points, or \$125 for a home valued at \$400,000.

Recommendation: As mentioned above, we believe the Township should consider combining the water and sewer functions into one utility, with rate charges based on actual consumption. It would enable the Township to more accurately and directly account for appropriate expenses and revenues for utility operations and would tie the homeowner's sewer related costs to actual usage instead of to the value of the property.

ELECTRICAL ENERGY EFFICIENCY

Township Initiatives

The Township Engineer is directing the Township's participation in an innovative program to improve its efficiency in using electricity. The Township is installing energy efficient equipment, fixtures and bulbs. The cost of these improvements is paid for by savings from reduced electrical bills, as well as from funds provided by the local electrical utility.

Recommendation: We are very supportive of the Township's efforts, thus far, in the area of electrical energy efficiency and suggest that the Township also pursue similar opportunities in other areas, such as fuel and telephone billing.

Details of efficiency programs and other efforts available to governmental entities will be available in a separate report currently being prepared by the Local Government Budget Review Program, which will be made available to all entities upon request.

POLICE

Organizational/Staffing Structure

This department is divided up into five divisions: Internal Affairs, Criminal Investigations Division, Services Division, Youth Aid Bureau, and Uniform Division and includes 122 sworn officers, 18 civilian personnel, 58 school crossing guards and three parking violations officers. A review of this staffing indicates that 24% of the sworn personnel are supervisory, with a rank of sergeant or above. This works out to a ratio of approximately one superior officer for every three uniformed officers. Each of the department's five divisions is headed by a captain who reports directly to the Chief.

In a number of instances, ranking officers head up operations that could appropriately be handled by civilians or by officers of lower rank. In some cases, ranking officers manage single operations or manage only a few subordinates. For example, within the Uniform Division, the Traffic Bureau and the Communications Center are each managed by a lieutenant and staffed primarily by a civilian work force. The Internal Affairs Division, which is headed by a captain, has no staff at all and appears to be responsible for a variety of functions that are not typically related to Internal Affairs, such as administration of firearms training, officer hiring and assistance with budget preparation. The Services Division, which is headed by a captain, includes a lieutenant and a sergeant, and a civilian staff of three people. The Services Division is responsible for maintaining crime statistics and employee records, functions we believe to be administrative in nature. The Criminal Investigations Division is headed by a captain who supervises two sergeants and four officers. Two of these positions, one a sergeant, are dedicated to full-time liaison responsibilities to the courts and management of evidence. In effect this reduces the detective staff to only five full-time positions. While the organizational chart identified a narcotics function within the Criminal Investigations Division, in fact, much of the narcotics function is actually handled by the Uniform Division. The Criminal Investigations Division does, however, handle responsibilities for such tasks as stakeouts and warrants. The Youth Aid Bureau is headed by a captain who supervises one sergeant and three officers. Coverage in these investigative functions is only five days per week Monday through Friday.

The Communications Center is organized under the Uniform Division and is headed by a lieutenant. There are ten communications operators who staff the 911 emergency system and the central switchboard for the Township. In addition, there are three patrol officers assigned to the center to serve mainly as supervisors, who assist with calls during peak times as necessary. The center's shifts are staffed by three operators and the operator who functions as the Township Receptionist works 9:00AM to 5:00PM, Monday through Friday. The budgeted salaries and other expenses for the center in 1995 totaled \$465,000 for the operators, but an additional salary cost of \$144,000, attributable to the supervising officers, was budgeted for under the general Police Department salary line. The true cost of this service in 1995 was almost \$600,000.

The center spent more than \$41,000 in overtime in 1995. Overtime is given for a variety of reasons including coverage for sick time, vacation time, personal leave time and training. An estimated 62%, or \$25,798 of all overtime was attributable to sick time

coverage. An estimated \$13,426 in overtime payments was spent covering 79 vacation days during the same year. Approximately 30%, or \$12,689 of the overtime is covered by uniformed officers. The cost differential for using a uniformed officer versus an operator is approximately \$80 per shift.

Recommendation: Twenty-seven uniformed officers will be eligible for retirement within the next two years. In fact, a considerable number of uniformed officers have expressed interest in retiring during this period. The retirement of uniformed officers may provide an opportunity to restructure the force to address some of the issues identified in this review.

It is strongly recommended that the department be re-organized by function with the appropriate level of supervision/management. Several functions may be combined to maximize organizational flexibility or may be administered by civilian personnel. The computer operation and reporting function, in the Records Division, could be handled by a civilian. The records function may be combined with the forensic function. Cross training of several civilian personnel in the operation of the computer system would ensure adequate backup. The review team believes it would be appropriate for the Township to reconsider the need for a Lieutenant and patrol officers to supervise this operation. We suggest that the supervisory responsibilities be handled by a civilian who might also be charged with other non-uniformed responsibilities. We do not believe patrol officers should be assigned to the center. The Internal Affairs function may more appropriately be a function of the suggested Operations Division of the department and could be combined with Criminal Investigations and Narcotics investigations. The Power Shift and Bicycle Unit could be reassigned by having the Power Shift function overlap between Shift 2 and Shift 3 and by having the bicycle unit overlap between Shift 1 and Shift 2. This would eliminate one Lieutenant and one Sergeant position, and would maintain the off-schedule work time for these two groups without unduly increasing the span of control for the supervisors taking over responsibility for this staff. Adequate, clear policies and procedures must be in place for the Power Shift and the Bicycle Unit to avoid problems that could be incurred due to the overlap of supervisors. The transfer of the EMS function to the Fire Department, discussed in detail at the end of this section, would free up four officers for alternate Police Department functions. This re-organization could reduce the current ratio of supervisory personnel to patrol officers now found in the department and also allow for an increase in patrol officers in other areas without a need to hire new employees. No actual reduction in the total number of officers is suggested at this time, however, a full workload analysis should be done every six months to one year to accurately determine adequate patrol levels.

Though there are a variety of ways in which to organize a Police Department, we suggest that a re-organization into two divisions for operations and administration may be more efficient and would allow for the eventual reduction of captain positions from five to two to head these two divisions. Further, our proposed re-

organization would result in a reduction of management positions, but the total sworn compliment would remain the same, thereby allowing for greater staffing capability at the patrol level. One civilian supervisor would be added to supervise the communications center.

Cost Savings: \$76,163

Workable spans of control should be designed so that reporting relationships are clear and supervisory functions of superior officers are maximized. Specific to departmental functions, the restructuring would allow for an increase in staff in the Internal Affairs/Criminal Investigations Division and Youth Aid Bureau. The reassignment of staff also allows for an increase in total patrol officers. We would suggest that staff be reassigned from the Services Division, the Communications Center, EMS and the Intelligence/Special Investigations function to provide greater support to those two areas and other areas in need of greater staffing.

It is suggested that the Township contact the State Division of Criminal Justice for further detailed reviews and suggestions on appropriate re-organization issues once a full workload analysis has been completed by the department.

Management Practices

While the structure exists for the regular reporting of employee attendance and performance and activities between and among divisions, it appears to be ineffectively utilized. As a result, a good deal of important information is not documented or communicated. For example, when miles traveled by police vehicles was requested from the traffic bureau, we found that this information was not being maintained. Similarly, the enforcement index, which records the number of tickets written for each stop made by an officer is not being recorded. Employee time records were being kept manually with little documented or apparent analysis of absentee patterns or regular discipline in problem situations. Division heads prepare a report to the Chief twice a year summarizing their activities, however, these reports are very brief and not particularly useful for planning purposes. We believe, overall, that the department could benefit from more extensive use of the existing reporting structure and greater planning or proactive emphasis.

Recommendation: We recommend that the Township explore opportunities to enhance between-shift communications through computerized shift activity reports. It is also recommended that division heads have meetings with the Chief at least monthly to discuss activities and develop strategies for dealing with certain problem areas. Maintenance and analysis of records should be an integral part of operations for management or planning decisions. We also suggest that official employee records be kept by Township administration offices, not by individual departments.

Crime Reduction Initiatives

The overall crime rate is down 30% from five years ago, although certain individual categories of crime show sharp increases during this period. The department attributes the reduction to a number of initiatives put in place over the past few years. The Police

Against Crime Team (P.A.C.T. unit) is a joint patrol between Bloomfield and two neighboring towns with rising crime rates that affect Bloomfield that was initiated in August of 1993. However, one of the towns has recently dropped out of this program due to budgetary difficulties. This initiative was established in response to an increase in the incidents of crime at the municipal borders and it has markedly decreased criminal activity. Negotiations are reportedly underway to establish a PACT unit along an additional border in the near future. The PACT unit vehicle was supplied by Bloomfield who was supposed to be partially reimbursed for that cost. To date, however, Bloomfield has not received any payments. Based on the 2.5 year history of the program, the amount due Bloomfield from Newark is estimated to be almost \$6,000.

The department has also initiated a Power Unit in recent years. This unit targets high crime areas during peak hours for surveillance and establishes relations with community watch organizations in an effort to reduce crime. There are 80 community watch groups within the Township, however, only 25 are now reported to be active. The department conducts training classes for these organizations on a regular basis. A Bicycle Unit has also been established within the power unit to monitor certain locations in town. The equipment for this unit was purchased with confiscated drug money and not from tax revenue.

In the planning stages in 1995, and implemented in 1996, is a new program designed to promote greater contact between the Police Department and township youth. The "Cop Cards" program incorporates participation by the local businesses by collecting \$125 per business sponsor of the program. Cards of police officers are designed similar to professional baseball cards and include the Officer's picture, some biographical information and a personal message from the Officer intended to foster an anti-crime attitude in youth. The sponsor money collected is used for card collections by youth to purchase prizes, such as mountain bikes, baseball game tickets, roller blading tickets, and similar entertainment opportunities. This program encourages the Township's youth to become more familiar with the officers and the operation of the department.

Recommendation: We commend the department for its implementation of specific crime reduction initiatives to focus on particular community concerns. We suggest that the department seek reimbursement for use of the Township vehicle as a PACT car. Based on the 2.5 year history of the program, the amount due Bloomfield from Newark is estimated to be almost \$6,000.

Revenue Enhancement: \$6,000

Parking Violations

The three parking violations officers are doing exemplary jobs. During 1995, 26,018 tickets were issued for parking violations, which represents an increase of 3,107 from 1994. Based on the total number of tickets issued, each officer is averaging almost 38 tickets per eight hour shift, or almost five per hour. Records are kept which detail the type of violations for which tickets are being issued and a report is provided to the Chief on a monthly basis.

Leave Time

An analysis conducted of sworn personnel use of sick time, compensatory time, personal leave and special events time shows that in 1995 approximately 1,955 days were used in these categories through October. We did not extrapolate these figures out for a full year, but it should be noted that the numbers presented would increase if the values for an entire year were used. We did not, however, have leave records for the entire year available to us at the time of this analysis. Vacation time, jury duty, family leave, and workers' compensation time off has not been used in the following calculations, but are estimated to amount to an additional average of 17 days off per member of the force, which would often be covered by other staff through the use of overtime. Based on a conservative estimate of the average Patrol Officer's pay of \$158 per day, the value of the time reviewed (sick, compensatory, personal and special events) through October, 1995 was at least \$307,152.

Sick time taken, which averaged almost four days for the entire force, but almost eight days per Patrol Officer, accounted for 48% of this time off. This average does not include time off for workers' compensation illnesses or injuries. The value of the total sick time taken was \$162,244 through October, 1995. The total force average is commendable, however, there are a number of individuals who stand out in terms of excessive sick leave amounts. Without these excesses, the force average would be an even better example of low sick leave use.

Personal leave time taken averaged just under three days per member of the force, at a cost of more than \$68,000. For some members, this average exceeds the three personal days per year authorized in the employee contract, but is presumably due to the approved carryover of personal time not granted during the year.

Paid leave is also being granted for police service for parades, a local race event that is held on an annual basis and a variety of other community events. The total of this type of leave through October, 1995 amounted to 343 days in addition to the other types of leave normally granted. This represents approximately 22% of all leave time taken in the four categories reviewed.

Adding all the time taken mentioned above, which again does not include workers' compensation time off, jury duty, bereavement leave, family leave or vacation time utilized, we estimate that 1,600 days, or an average of 12 days per member of the force were used through October, 1995. Much of this time creates a shortage in staffing and results in overtime costs, as well.

Paid sick time for the Communications Center personnel amounted to almost 184 days in 1995, or an average of 18.4 days per operator. The cost to the Township was approximately \$17,400 in the value of sick time and \$21,849 in overtime costs to fill those positions. In addition, sick time taken *without pay* for four operators was 31 days, or an average of an additional almost eight days for those particular individuals. The overtime cost to cover these absences was \$3,950. The team finds it difficult to believe that this is

not a clear example of sick leave abuse. In fact, two employees have recently been put on notice for such abuse.

In addition to all of the leave time mentioned above, all police personnel who are assigned to a five-two (five days on, two days off) schedule are given an additional 17 days off, theoretically to compensate them for the additional time worked identified in the labor contract above and beyond 2,080 hours, or 260 days per year. Personnel working the typical four-two (four days on, two days off) police schedule work 1,952 hours, or 244 days per year, plus defined additional hours of 122 per year. These additional hours include time worked before and after actual shifts and classroom training time. There is other time required for departmental meetings and personnel conferences that theoretically combine to make up an additional six hours of time per year to reach 2,080 hours of work per year, however these are not defined in the contract. Departmental records documenting all types of additional hours to ensure that all officers are meeting this requirement are not available. Classroom training records are not kept on a per officer basis, but are available by class/training session. In addition, the section of the contract that defines the “normal daily tour of duty” includes time spent in the Memorial Day Parade, although not all officers participate. Those on the night shift prior to the parade are not required to participate, nor are the officers whose shift falls during the time of the parade. Also, the language in the contract discusses the Police Benevolent Association’s cooperation in connection with efforts to recruit “volunteers” to march in the parade, however, those who do are given time off at a later date for participating in this special event. There is obviously some confusion regarding the definition of a “volunteer” in this situation. There are 23 sworn personnel, 21 of whom are superior officers or detectives above the rank of Patrol Officer, who receive this 17 day benefit. Based on actual 1995 salaries for these individuals, this benefit is valued at \$87,527 in salaries. The cost of overtime to cover any of these absences was not provided to the team, yet it would be an additional cost over and above the salary value.

Recommendation: We commend the department for its relatively low average of sick leave usage for sworn personnel, but suggest that leave records be monitored closely by management to identify and appropriately discipline those individuals who consistently use excessive sick time.

Departmental records should be maintained and reviewed regularly by management to ensure that the work hours required under contract are actually fulfilled by every officer.

Reduction in Leave Allotments/Use: We strongly recommend that the Township re-evaluate its use of the 4-2 schedule, as the 5-2 schedule makes the most efficient use of staff. However, if the Township chooses not to change the entire department to a 5-2 schedule, we suggest that it evaluate the total time off granted to police officers (including superior officers) and make considerable changes to the allowances granted. We suggest that the Township consider varying the reporting times for those on the 5-2 schedule for those times when there is no existing overlap between

shifts for the purpose of between shift communication and reporting. Further, we suggest the elimination of the requirement for 5-2 schedule personnel to report 15 minutes early for “show up and shape up (training).” We do not believe this is adequate time for this purpose and we have been advised that compliance with this requirement is not monitored. These changes would eliminate the quantified additional time that those on the 5-2 schedule are required, at least by contract, to work. Therefore, there would be no need to “compensate” this staff in the form of 17 days off for time worked in excess of 2,080 hours per year. If time granted reviewed above (sick leave, personal leave, compensatory leave and special events time) was reduced by a conservative 20% through these changes, the Township would save approximately \$87,250 in the value of time granted.

Eliminate Additional 17 Days Off for 5-2 Employees and/or Increase Productive Enforcement Hours for 4-2 Employees: The separate issue of the provision of 17 additional days off for those working a 5-2 schedule should be addressed and we believe, eliminated. The salary differences at least between superior officers and patrol officers should, at least in part, reflect the differences in job requirements, such as work hours. In Bloomfield, not only do the superior officers benefit from higher salaries, they also receive this additional leave benefit, which has a value of \$87,527 in non-productive time. In fact, rather than provide additional time off to those who work more days and thereby reduce productivity, perhaps the Township should consider seeking the opposite alternative through contract negotiations and require that an additional 17 days be worked in actual enforcement efforts by those on the 4-2 schedule. The full value of this increased productivity for the entire force would be \$363,744. In addition, there would be considerable savings in overtime costs if an additional 17 days of work were required of those on the 4-2 schedule. Part of this productivity enhancement would be reduced by the amount of overtime required for documented training time. But this would be far less than the payment for time required under the labor contract that is not necessarily monitored and/or necessary for its described purpose.

Productivity Enhancement: \$87,250 if reduction is made in the amount of leave allotments/use, or \$87,527 if leave eliminated for those working 5 - 2 schedule, or \$363,744 if entire force required to work 260 days (excluding reasonable time off) like most other professions

The excessive use of sick days by Communications Center operators should be addressed and corrected. A reduction in use of 50% would still give the operators the benefit of at least nine sick days per year, but would result in a savings of approximately \$19,624. This does not take into account the use of non-paid sick days, which should also be addressed.

Cost Savings: \$19,624

Overtime

Police overtime expenditures were \$361,000 in 1995. Almost 40%, or 833 of the 2,113 days of overtime authorized for sworn personnel, was attributable to staffing shortages at a cost of more than \$162,000. Two officers were assigned to the Essex-Union Prosecutor's Narcotics Squad and one was assigned to the Essex-Union Auto Task Force. These assignments created at least \$18,000 in overtime through October, 1995 for these officers for which the Township was reimbursed. Overtime is used for a variety of other purposes, such as court appearances, training, covering school crossing guard posts and incidents that require an officer to stay beyond normal hours. For instance, a major fire in the central business district which required 525 hours, or 65.6 days of police overtime in 1995. That incident, alone, cost almost \$13,000.

If analyzed in terms of days, police overtime thru October, 1995 averaged 10.5 days per member of the force. For patrol officers only, however, the average was 15 days. In 1995, the department originally budgeted \$325,000 for overtime. As of November 30, 1995, an additional \$71,000 has been transferred into the overtime budget. In addition, close to \$13,000, or 33% of the \$41,000 overtime budget for the Communications Center was paid to uniformed officers to cover civilian posts in the Communications Center. An estimated 62% of all Communications Center overtime was attributable to coverage for operators out on sick leave.

Overtime and personal leave time are authorized by the officer in charge, normally a sergeant or lieutenant. Personal leave time is granted based on the availability of staff. The officer in charge is required to make sure that a post is covered before granting leave time. We could not find any evidence that attendance patterns were, in fact, being monitored by management or that plans were being made to reduce the overtime costs.

Recommendation: Attendance patterns should be closely monitored by division directors. We suggest the department institute strict policies and programs that are geared towards reducing the use of overtime and sick time. The changes in the granting of time that we suggest are necessary should also help alleviate the need for this amount of overtime funding.

Vehicles - Maintenance

The department has a fleet of 42 vehicles - 24 marked cars and 18 unmarked vehicles. Marked vehicles range in age from new (1995) to five years old and include three four wheel drive vehicles and one Chevrolet suburban. Unmarked vehicles range in age from five to 14 years old.

The department has adopted a policy of purchasing used vehicles for functions other than routine patrol. For instance, the Chief drives a used 1986 Buick and each of the four division directors, all detectives and all juvenile officers drive used vehicles. Marked vehicles travel an estimated 2,000 miles per month or 24,000 miles per year and were normally traded in after 2.5 years, or 60,000 miles. Police cars are serviced by the Public Works garage and are given top priority on a daily basis by mechanics. However, there is

no regularly scheduled maintenance on police vehicles. As vehicles are brought in for various problems the maintenance records are reviewed and needed routine service will be performed.

We could not exactly determine the cost of maintaining police vehicles because the costs are charged to the Garage Services Division within the Department of Public Works and police vehicle related costs are not distinguishable from all other costs. However, we estimate that at least \$120,456 was spent for maintaining police vehicles in 1995. This estimate is based on the total expenditures for this function divided by the total number of vehicles in the Township fleet and then extrapolated for the police fleet, alone. A few years ago, the Township considered pursuing a competitive contract for maintenance and repair of vehicles, but was unsuccessful in obtaining adequate proposals.

Our review of a 1993 contract for maintenance and repair of vehicles and equipment in another municipality showed a maximum cost of \$375,589. This cost was to maintain a fleet of 110 vehicles, plus a variety of equipment. In Bloomfield, it is estimated that more than \$400,000 was spent in 1995 for vehicle maintenance, alone, not including any equipment maintenance. While the number of vehicles in Bloomfield is slightly higher and the comparable bid is three years old, we believe this potential opportunity for savings should, again, be investigated.

Records show that police vehicles have been involved in 223 accidents over the past five years. This amounts to more than 2.5 accidents per month. Despite this high incidence of accidents, the department has no regularly scheduled defensive driving courses for its officers. The driver improvement action reportedly undertaken occurs when an officer is referred to a county defensive training program if a superior officer deems it necessary. However, a record of this action indicating how many officers received the training was not available.

Recommendation: An aggressive preventive maintenance program should be instituted, accurate records on the cost of repair per vehicle should be maintained and there should be no tolerance for vehicle misuse. Police vehicle maintenance costs should be sufficiently detailed to provide a clear understanding of the costs incurred for management analysis purposes.

The upfront cost saving measure of purchasing used vehicles for non-patrol functions is beneficial as long as the associated maintenance costs do not outweigh the initial savings. This should be carefully analyzed.

We recommend that a vehicle maintenance inventory system be put in place which would, among other things provide for a scheduled maintenance program for all vehicles, especially those in the Police Department. This is perhaps most efficiently accomplished through computerized vehicle maintenance systems currently on the market. Once more detailed records are maintained and analyzed, we suggest that the Township once again review the possibility of privatizing this function.

Furthermore, given the considerable number of vehicle accidents in this department, we strongly suggest that all patrol officers be required to attend defensive driving classes on a regular basis. The improvements now being made to the Township's risk management/insurance operation should provide for subrogation in applicable circumstances of vehicle damage and should be pursued. Disciplinary action should be pursued in those cases of continual vehicle accidents involving the same officer.

Vehicles - Lease/Purchase

The team reviewed a lease/purchase agreement with Signet Leasing and Financial Corporation dated July 15, 1995. This agreement was with Signet as the leasing agent for Warnock Fleet and Leasing. The Township apparently understood that this was a valid agreement under their State Contract award, however, this does not appear to be the case and should have been recognized by the Township Attorney's Office. State Contract awards are only applicable to the specific item included in the award notice - in this case, the purchase of police vehicles. State Contract awards may not legally be extended to cover alternate items - in this case, the lease/purchase of police vehicles. The agreement should not have been entered into without the benefit of the public bidding process.

As per this agreement, the Township leased eight patrol vehicles for the Police Department valued at \$19,565 per vehicle, or \$156,520 in total for eight vehicles. The Township traded in eight 1992 police vehicles for \$4,400 each, or a total of \$35,200. At the time of the execution of this lease, there was a State contract for patrol vehicles available at a per vehicle rate of \$17,681, which included \$14,822.08 for the basic vehicle, plus \$2,859 for options, or a total of \$142,888 for eight vehicles. The per vehicle difference in cost between the purchase price of the vehicle and the lease price of the vehicle was \$1,884, for a total of \$15,072. Had the Township planned ahead and adequately budgeted for vehicle purchases, it could have taken advantage of the State Contract vehicle price of \$14,822. Had the Township auctioned the 1992 vehicles they traded in, or included the trade-in arrangement as part of a bid to secure competition, it is possible that they could have received more than \$4,400 per vehicle. While there would have been a greater upfront cost if the Township had purchased the vehicles, through this leasing agreement, the Township actually paid more for new vehicles over the three year term of the lease and lost the opportunity to realize greater revenue through an auction, or through competition for the trade-in of older vehicles.

In addition to these monetary concerns, the team also has administrative concerns regarding the lease agreement. While the Township Attorney, in his July 15, 1995 letter to the leasing company, indicated that any applicable public bidding requirements had been met, the team has not received any written verification of public bidding from any Township official, despite numerous requests. We, therefore, conclude that the transaction was not properly bid, as it should have been to invite competition into the process. There is clearly no "annual cancellation or subject to appropriation" clause in the agreement, as required under N.J.S.A. 40A:11-15.

There are two further points that the team believes important to this process. First, we would question the Certificates of Title. The lease/purchase agreement is for a term of three years, however, copies of the titles are now all in the Township's name and attached to the agreement documents provided to the team. Secondly, there was another option that the Township had available to it for consideration. The Essex County Improvement Authority has the ability to purchase vehicles through State contract and lease them to municipalities. This process could prove less costly than the current lease/purchase agreement.

Recommendation: While we recognize that the upfront cost is greater through a vehicle purchase arrangement than it is for a lease, we strongly recommend that the Township discontinue leasing vehicles and either purchase them directly off of State Contract, or investigate a lease/purchase arrangement with the Essex County Improvement Authority. If the Township chooses to continue with a lease/purchase agreement, however, it must be bid and it must include the clause required under N.J.S.A. 40A:11-15. In fact, we have been told that since our inquiry into this agreement, the Township has decided to bid the next lease/purchase agreement. The true additional cost incurred by the Township through leasing, however, is \$15,072, not including any difference between the amount received in the trade-ins and the amount that would have been received through public auction, or competitive trade-in proposals.

Cost Savings: \$15,072

Crime Rate

While the overall crime rate has been dropping over the past five years, the incidence of violent crime appears to be increasing in the Township. The department feels that much of this increase is due to new reporting requirements for domestic violence incidents which require that an arrest be made if there are injuries, a court order has been violated, a warrant is in effect, or a weapon is believed to be involved. However, our review of Police Department statistics revealed that the incidence of domestic violence increased from 278 to 290 cases from 1993 to 1994, which is not a tremendous increase. Murders increased from none in 1993 to two in 1994. While the number of rape cases remained the same from previous year levels, robberies were up by 10.4 percent and aggravated assaults were up 38.8 percent from previous year levels.

Increases in juvenile violent crime appear to be particularly dramatic. It appears that at least one of the murders and one of the rapes in 1994 involved a juvenile. Even more alarming in juvenile crimes is the number of atrocious assaults which were up by 200% from previous year levels, and narcotics offenses which increased to 28 incidents from a total of six in the previous year. Overall, juvenile crime has been increasing steadily in the past three years.

These are clear indicators of the need for police action to circumvent current trends in juvenile crime. The current staffing of five employees in the Youth Aid Bureau may be

inadequate for this mission. Most of the staff's time is being spent in the office doing paperwork, rather than out in the community dealing with the issue of juvenile crime. The bureau has recently received a computer, but has not yet developed uses for it to reduce time spent on paperwork in order to increase time on the street.

Recommendation: As mentioned earlier in the organization/staffing section, we believe that current trends warrant an increase in juvenile staff. The increased staffing levels could be realized without additional cost to the Township by reassigning staff based on re-organization recommendations outlined earlier in this police section.

School Crossing Guards

There are 58 school crossing guards working for the Township. Salaries and benefits amount to almost \$620,000 per year. There are 54 actual posts in existence and four backup positions used to fill in when regular guards are absent. However, school crossing guards are often replaced by uniformed officers due to the unavailability of the backup employees. In some cases, this results in overtime pay for a uniformed officer. An estimated \$3,000 in overtime was authorized to cover 87 guard absences between January and November of 1995.

Another issue that has been raised during the course of our review concerns lunchtime coverage by school crossing guards. The Township previously attempted to eliminate lunchtime coverage of posts due to the small number of students that go home unescorted during this time. A Township survey of eight schools revealed that less than 150 (3.1%) of the more than 5,200 students go home unescorted for lunch. The review team's analysis of this issue indicated that this number may be far less, perhaps as few as 80 students. A Township proposal estimates that elimination of lunchtime coverage would save the Township more than \$300,000 annually. This proposal, however, was previously rejected by the Board of Education after hearing objections from parents of those students who go home for lunch and from school crossing guards.

The team has also attempted to research the possibility of privatizing the school crossing guard function. There is the possibility that a vendor could be secured for this service. A potential vendor was identified, although unwilling to discuss with the review team a possible bid prior to a formal bid solicitation by the Township.

Recommendation: The team believes that the provision of school crossing guards during lunch time is a costly benefit provided to a very small portion of the taxpayers at the expense of the majority of taxpayers. Based on interviews with school officials, we believe that they would be willing and able to accommodate the minimal increase in lunch time attendance. In fact, many would welcome the opportunity to restructure the lunch times and provide greater educational services to the students during that time period. Therefore, we suggest that the Township follow through on its original proposal to eliminate school crossing guard coverage during lunch breaks for an estimated savings of \$300,000. For those parents who

depend on this lunch time coverage for their kindergarten children's return home, which was one of the greatest concerns raised, we suggest that individual arrangements be made with the Township for escorts home, but that they be made at a cost to the parents and not the taxpayers.

Although the team did not receive the full cooperation of the vendor in estimating a potential cost savings for school crossing guard services, we do believe it is an area that warrants further review by the Township.

Emergency Medical Services (EMS)

The provision of ambulance and emergency services is divided between the volunteer squad and the Police Department. The Bloomfield Volunteer Emergency Squad (BVES) consists of approximately 27 volunteers and covers the service from 6:00PM to 6:00AM, Monday through Friday and on all weekend hours. The Police Department utilizes four officers over a two shift period to cover the service from 6:00AM to 6:00PM Monday through Friday. The volunteer squad owns three emergency services vehicles that are kept in a garage facility attached to the municipal building.

In 1995, the Township provided \$14,000 to the BVES to support its operations. Other costs are met through private contributions, mainly from an annual fund-raiser sponsored by the squad. The cost of the four police officers for this service, based on an average salary of \$45,000 per year, is \$190,000, exclusive of benefits.

There are approximately 1,600 calls per year for emergency service. Current records do not provide information as to the percentage of total calls covered by police and the percentage covered by the volunteer squad. However, based on this total number of calls, emergency medical services are being requested at a rate of 4.4 per day. Assuming that the calls are evenly divided between police and the volunteer squad, and that each call requires 45 minutes to complete, then each shift would be handling an average of 2.2 calls per day and less than two of every 12 hours on each shift would be spent providing services to township residents.

Based on estimates from a private ambulance service, it appears that the private sector could provide this service at somewhere between \$94,000 to \$140,000 per year, which represents a reduction in costs of \$50,000 to 96,000 per year based on Township expenses alone.

Discussions with the Fire Director indicate that the Fire Department could also provide this service at no additional cost, while still meeting fire safety standards. This could be accomplished by reducing staff levels at Station #3 (on Passaic Avenue) during the 6:00AM to 6:00PM shift. This is during the time period and in the location where the least number of fires occur. Fire protection would be provided by extending coverage southward for Station #4 (near Broad Street and Passaic Avenue) and northward for Station #1 (Fire Headquarters on Franklin Street) during this period of time. Two years

ago, a new policy was instituted in the department which requires that all new hires receive EMT training. To date, approximately one-fourth of the department is trained.

Recommendation: The team suggests that two options be explored in an effort to reduce the cost of this service. Privatizing this service, based on our preliminary estimates, could save at least \$50,000 per year on the service itself and would allow police officers to be reassigned to other divisions within the department. We do not suggest the elimination of the four police officers currently providing EMS services, but rather their reassignment to other divisions of the Police Department requiring greater staffing levels. We realize, however, that the savings under this scenario is service specific and not related to overall Township savings, as we are not suggesting the elimination of the four officer positions. However, the increased cost of privatizing this service may eventually be more than outweighed by the cost of future increased staffing in the department.

The second option is to transfer the responsibility of this service to the Fire Department. It is the team's opinion, based on a review of fire call data and interviews with Township officials, that the EMS responsibility currently handled by the police can be handled by the firefighters with no staff increase required. Provisions for adequate firefighter coverage in the event of a fire can be made as an integral part of this transfer of service responsibility. We suggest that a small group of police officers continue to receive EMS training so that they may be able to provide such services during fire emergencies. In case of a fire emergency in which all firefighters were needed, adequate mutual aid agreements would need to be developed to provide emergency medical services.

In the fire service scenario, staff utilization would be more efficient, however, no real savings would be realized due to the similarity in salaries between police officers and the firefighters who would be involved.

FIRE

Organization/Staffing

The Township has a full-time, paid Fire Department consisting of 86 firefighters and two clerical employees. The 1995 appropriation for the Fire Department in 1995 was \$5,743,995. This included \$4,326,150 for salaries, \$1,297,845 for fringe benefits, and \$120,000 for other expenses, such as clothing allowances, training and equipment maintenance. Expenses for building and truck operations and maintenance are combined into a central account which includes all departments. The yearly expenditures for the Fire Department represent approximately 16% of the Township's operating budget.

The department is headed by a civilian Fire Director. This position was recommended several years ago in a 1993 management study completed by Public Management Group, a private consultant. The department is organized into four stations consisting of three truck units and one truck and ladder unit. Each station is staffed with either 20 or 21

officers and firefighters and one deputy chief. The Bureau of Fire Prevention is headed by the Fire Director, who also serves as the Fire Official/Fire Protection Subcode Official. The Bureau includes two fire inspectors who are also firefighters and serve as backup on fire calls.

The Fire Department currently works an eight week cycle, with (2) ten hour day shifts and (2) 14 hour night shifts. Work hours per week range from 32 to 48 with an average work week of 42 hours.

The department has previously experienced management and operating problems as documented in the 1993 consultant's report. According to the report, the major management problem was a lack of confidence in the leadership abilities of the Chief and Deputy Chiefs. To address these problems the report recommended the temporary appointment of a Fire Director and the elimination of the Fire Chief position. The study indicated that a major responsibility of the Fire Director would be to improve the management skills of the department's top management and generally strengthen the human resource component of the department through teamwork. The Fire Director has implemented almost all of the reports' recommendations. One indication of his success is the reduction in the number of grievances filed. Before the Fire Director was appointed, 30 to 50 grievances per year were filed that went all the way to the Mayor and Council. Only two grievances were filed in 1995 and both were resolved at the Fire Director level.

Functions

In 1995, the department responded to 1,784 fire calls. Approximately 7% (116) of these calls were structure fires, 4% (78) were vehicle fires, and 7% (116) were other fires. The remaining 82% of all calls were for false alarms, mutual aid responses and alarm system maintenance. A \$50 fine is imposed after the third incident of false alarms at the same location.

As indicated, the Fire Official's responsibilities are handled by the Fire Director in addition to the Director's duties. The Bureau is responsible for fire code enforcement, fire prevention, plan review, life hazard inspections, and cooperative housing inspections. In the first 11 months of 1995, the unit handled 2,000 fire inspections, 500 life hazard inspections, and distributed roughly 350 smoke detectors to low income families (at no cost). In addition, the department is involved in educational activities normally targeted for particular groups, such as senior citizens and students, and in training for businesses, particularly in the use of fire extinguishers. Revenues received by this unit totaled \$104,000 in 1995.

Sick Time Usage and Workers' Compensation

Compared to other public employees, the average number of sick days taken and the number of days lost to injury is unusually low. The average number of sick days taken is 3.5 per year (excluding one firefighter who has been on extended sick leave; adding his time increases the average to 4.9). This compares to an average of 11.5 days for all State

employees and seven days for a comparable paid Fire Department located in the northern part of the state.

Minimizing sick day usage is verbally reinforced by managers and supervisors. In addition, the department distributes a quarterly report to employees on their sick day usage and the department monitors usage to identify any patterns among employees.

In terms of days lost due to injuries, or workers' compensation incidences, the average is 2.6 per firefighter. The Fire Director attributes this relatively low incidence rate to effective training, monitoring the physical conditioning of firefighters, good supervision, an emphasis on physical fitness and safety.

Overtime

The infrequent use of sick days and days lost to injuries help to minimize overtime, which totaled \$47,500, for an average of \$552 per firefighter last year. In addition to using overtime because of sick, vacation and workers' compensation time, the Township had two three-alarm fires in 1995 for which overtime was used.

Recommendation: We congratulate the department on its significantly low use of sick days and work days lost to workers' compensation injuries. The fact that the use of sick leave and workers' compensation incidents are so low is a testament to the dedication and professionalism of the department's employees, and proof that appropriate attendance rates are achievable in other departments and in other communities.

Fire Station Locations

Three municipalities, each with a full-time paid Fire Department, border Bloomfield: East Orange is directly south and Newark and Belleville are to the southwest. There are four engine stations (one from each municipality) within four miles of one another; three of them are within two miles of one another. These stations include Bloomfield's on Watsessing Avenue, East Orange's on Dodd Street, Newark's on North 6th Street, and Belleville's on Franklin Street.

The Fire Director acknowledges that these stations were originally located based on municipal boundaries, rather than on the fire safety needs of that geographic area. The Director acknowledges that some differences exist in the fire safety needs of the limited areas currently covered by these stations, however, they are generally similar and could be grouped into a single geographic area. Viewing these four stations as a single geographic area, one station could probably be closed without an adverse impact on fire services.

The savings from closing a station with paid firefighters is significant, based mostly on savings in personnel costs, although equipment, building, operating, and maintenance costs would also be reduced. For example, closing one station in Bloomfield would reduce Fire Department personnel costs by roughly one fourth, or \$1,383,000 in salary and benefits.

Of course, any savings developed through extending geographic boundaries would be shared among the participating municipalities.

Even though the savings could be substantial from organizing fire services according to geographic rather than municipal boundaries, it is extremely difficult to accomplish.

Recommendation: Our interviews indicate that a consolidation effort would need to be headed by an outside, objective organization that could determine the best fire station arrangement without the interference of subjective personnel and control influences. We believe that consolidation of firefighting services would be of benefit to all entities concerned, whether through the closing of a fire station or the direct payment for additional services rendered for those communities which maintain their fire services. We, therefore, encourage the Township to seriously investigate this possibility with the neighboring communities mentioned.

Consolidation Perspective

The unwillingness of municipalities to address and resolve these consolidation issues is demonstrated by several examples. State law enacted in 1971 (N.J.S.A. 40A:14-67) authorized paid or part paid fire departments to establish Intermunicipal Fire Departments. However, to date, none have been established.

One example does exist of two municipalities with paid firefighters contracting for fire services. However, instead of establishing a joint fire department, Glen Ridge (population 7,000) was able to close its fire department and contract with Montclair (population 38,000) to provide fire services.

A study was conducted by the Jersey City Fire Department in the 1970's to consolidate the fire departments of Hudson County. Although the study recommended closing some fire houses, according to State officials, the study was not acted upon.

The lack of success in consolidating or sharing services in paid fire departments is similar in volunteer departments. It would seem easier to share fire services when they are volunteer because employee's livelihoods are not involved. However, the State Department of Community Affairs estimates that among communities with volunteer fire departments, only an estimated 25 have contracted with other municipalities to share fire services.

Recommendation: To succeed against these obstacles, it would seem that an organization with authority over municipalities would be required. Organizing fire services by County is done in several states. Maryland and Virginia, for example, would be good models to study for possible use in New Jersey. The creation of fire districts which could cross municipal boundaries and have taxing power might also be a possible alternative for some communities.

Staffing Alternatives

Bloomfield has 45,061 inhabitants, with a population density of 8,470 persons per square mile. Of the 19 other cities in New Jersey with a population of 41,000 or more, and a population density of 3,300 persons per square mile or more, only two use volunteer firefighters. In these two towns, however, the volunteers comprise 80% to 90% of the staffing. The two towns are Perth Amboy (41,967, with a density of 8,784) and Woodbridge (93,000, with a density of 4,040).

Though not evident in all towns, some of the major challenges to using volunteers is the ability to contact them when a fire occurs and the additional time it takes them to get to the station. Our discussion with a surrounding fire department that uses volunteers indicates that advances in paging technology have helped to minimize these problems. For instance, individuals assigned to a particular station can now be paged with the address of the fire location and any other pertinent messages.

Another challenge is recruiting volunteers, given the limited time availability of residents for volunteer efforts. In addition, concerns exist regarding injuries to the volunteer and the subsequent loss of income.

Bloomfield has the Bloomfield Auxillary Fire and Rescue Squad, which includes approximately 20 active members that are available to assist in firefighting activities, however, they are reportedly not utilized for actual firefighting duties. Typically, they assist in such efforts as tearing down walls, filling Self Contained Breathing Apparatus and similar support activities during fires. There is apparently some ongoing discussion regarding the Auxillary's official organizational status, which needs to be resolved.

Some municipalities have municipal workers (usually in public works) trained to serve as firefighters. This has many advantages. Volunteers are difficult to get during the daytime hours which is when municipal workers are on duty. Municipal workers, especially those in Public Works or Community Development, are familiar with the town and may be familiar with many of the buildings. Firefighters may feel less threatened since these individuals are also municipal employees and some may even have established informal relationships with firefighters. Our discussions with one town that is just over half the size of Bloomfield with a 75 person volunteer fire department indicates this concept works well. They have 11 municipal workers trained as firefighters who respond to fire emergencies.

In addition to using volunteers, research identifies other options to enhance staffing efficiency to paid fire departments. Some examples are using paid fire personnel to train industrial fire brigades, provide combination fire and security patrols, staff State and Township mandated housing and code enforcement functions, and perform EMS services.

Recommendation: We understand that incorporating volunteers into a paid fire department is challenging and would take strong leadership from inside and outside the fire department, however, the two examples mentioned above seem to indicate that it can be done. We, therefore, suggest that the Township and the Auxillary

make a concerted effort to resolve the organizational status issue and determine the most effective use of current volunteers. Further, efforts to attract other volunteers and/or other municipal workers to perform firefighter duties should also be explored.

In addition to using volunteers, the Township should consider other options to enhance productivity of the department by investigating the benefits of utilizing this paid staff to perform even more non-fire related functions, such as those mentioned above during the significant periods of unproductive time spent waiting to perform firefighting duties. The most significant option, performing EMS services, is discussed in the Police section of the report.

MUNICIPAL CLERK/ PLANNING and ZONING

Organization/Staffing

The Municipal Clerk's Office is headed by the Municipal Clerk, who also functions as Director of the Planning and Zoning Department and Secretary to both the Planning and Zoning Boards. Staffing consists of a Deputy Municipal Clerk and a Clerk/Typist. There is also a part-time clerical assistant (a high school student) who works as part of her educational program.

Included in the Municipal Clerk's Office is the Department of Planning and Development. This department consists of one additional staff member who serves as Assistant Secretary to both boards. Most of the work in this department involves interaction with the Building Inspector (who is the Township Officer for both Planning and Zoning) and the Township Engineer. When permits are denied by either Board, the Township Officer turns over the permits to the Assistant Secretary for appeals.

The Assistant Secretary is primarily responsible for Planning and Development and is presently spending about 50% of her time doing Municipal Clerk's Office work. This is due to her location in the Clerk's Office. There is frequent disruption, caused by people calling or coming into the office for assistance and, as a result, there is a growing backlog of Planning and Development work. Her separation from the Engineering and Community Development Departments further exacerbates this problem, since most of her work is directly related to and requires constant communication with these departments.

Consultants and attorneys are retained on an "as needed" basis. During the past year, they were used primarily for the six-year re-examination of the Master Plan and the proposed location of a Home Depot in the Township. The Assistant Township Attorney provides legal services to the Planning and Zoning Boards as part of his contract with the Township.

Recommendation: We recommend that the Department of Planning and Development be separated from the Municipal Clerk's Office. We believe that all planning and zoning functions would more appropriately be handled out of the

Department of Community Development. Further, as stated in the Administration section of this report, we suggest that the Township consider a combined Assistant Administrator/Clerk position.

Functions

One major function of the Clerk's Office involves preparing for and attending Council meetings. This includes developing agendas and information packets, as well as documenting the weekly meeting minutes. For 1995, the Clerk's Office assisted in drafting and preparing 21 ordinances and assisted in preparing 252 resolutions. However, the change in July of 1995 that transferred the development of ordinances and resolutions mainly to the Legal Department, but with some prepared by individual departments, should reduce this workload in the Clerk's Office.

Other functions performed by staff members in the Municipal Clerk's Office include maintaining records, preparing legal notices, processing licenses and renewals, performing notary public services, working elections, registering voters, and processing registrations and insurance forms for township vehicles.

There are approximately 200 licenses which require annual renewals. The most common of these include: raffles, plenary retail consumption (Alcoholic Beverage Control), automatic amusement devices, taxicab operators, music machines, limousine certificates, and taxicab owners. The most recent fee update for these services took place in 1994 and went into effect in 1995, however, some licenses and fees were not done by ordinance. For example, the raffle license fees established in 1995 should have been done by ordinance, but were not. In 1995, this office collected a total of approximately \$200,000 in license application fees and additional revenues.

Another major function includes preparation for and attendance at Planning and Zoning Board meetings. This includes developing agendas and information packets, as well as documenting the minutes of both Board meetings which are held at least bi-monthly. The Municipal Clerk attends all Planning Board meetings and the Assistant Secretary attends all Zoning Board meetings.

For calendar year 1995, 48 applications were filed with the Zoning Board of Adjustment and 15 meetings were held. For the same calendar year, 16 applications were filed with the Planning Board. Twenty-one Planning Board meetings were held in 1995 (many of them directly related to the Home Depot issue), yet in other years, these meetings have totaled as few as two or three. Escrow accounts (ten as of December, 1995) are maintained for most applications with a projected construction value of at least \$200,000.

Recommendation: A consolidated fee ordinance for all Township licenses and fees should be prepared and reviewed annually for possible revisions which may become necessary.

BLOOMFIELD PUBLIC LIBRARY

Organization/Staffing

The Bloomfield Public Library, which has been in service since 1924, actually consists of two separate libraries - a Children's Library and an Adult Library. The Adult Library is open seven days per week, plus three evenings. The Children's Library is open six days per week. The Historical Society of the Bloomfield Museum is located on the top floor of the children's library.

A review of the New Jersey Public Library Statistics for 1994, a document prepared annually by the State Library, indicated a number of areas in which the Bloomfield Library appears to be operating more efficiently than its counterparts. These include a lower reliance on local tax support, a greater percent of its total expenditures on library materials, leaner staffing, and lower total expenditures per capita.

Staffing for the Library has steadily decreased over the past ten years, from approximately 41 in 1985 to 20 in 1995. We have been advised that this has led to some loss of services and a reduction in staff time available to meet public demand. Staffing at this time consists of four full-time and two part-time positions in the Administration Office, eight full-time and four part-time positions in the Public Service Department, and six full-time and four part-time positions in the Technical and Support Services Department. The Library Director has suggested that an additional two and one-half positions would enhance services, particularly in the reference and circulation areas.

All part-time employees are working less than 20 hours per week and, therefore, are receiving no benefits. Security consists of one guard who works daily from 2:30 PM to 9:00 PM.

Recommendation: While we believe that the Library is providing significant programs and services with a lean staff, we suggest two options for consideration. The first is for the State Department of Personnel to perform a desk audit of all Library positions in an effort to determine which positions would be potentially viable for broad banding or dual position classifications. This may save the Library money in terms of salary for positions that may not require their current classifications and may provide greater management flexibility in assigning staff. The other option would be for the Library Board to continually monitor the staffing level closely as it relates to the services and programs made available to the public to evaluate whether additional staff is warranted.

Financial

The 1995 Operating Budget totaled \$1,133,606; 79.4% received from Township funding and 20.6% received from fines and fees, per capita State Aid, reimbursement from the County of Essex Cooperating Library System (CECLS), individual donations, Friends of the Library and other private sources. The Township's funding exceeded that required by the State by \$158,176 in 1995 and \$178,505 in 1994. These figures do not take into

account the municipal vehicle provided to the Library that is an additional in-kind cost that could be included in the State mandated support.

The Library budget is presented to the Township Council in a similar manner to that of Township departments. It is our understanding, however, that the Township Council may not be including in budget discussions the various account balances available to the Library for specific programming costs. These are costs that are normally paid for through dedicated revenues. Bank statements are provided to the Township once per year indicating all account balances, but these balances are not necessarily discussed in detail at budget time.

The Library accepted monetary gifts of \$5,000 in 1995 toward the purchase of books, videos, other library materials, equipment and/or special programs; donations in honor or memory of relatives/friends; and bequests in money, real estate and beneficiary entitlements in life insurance policies.

Recommendation: While we are supportive of the Library's operations and programs, we suggest that the Township fully discuss all revenue available to the Library and its potential use prior to providing any additional funds beyond that which is required by State statute. Further, though the Township may wish to contribute more than the required amount of funding, the governing body should be aware of all of its direct funding and in-kind costs attributable to the municipal library.

Workload

Total attendance for 1995 was 298,250 with an average daily attendance of 1,000. The total value of its material resources is over \$12,000,000. For 1995, the Library circulated 195,959 items, answered 46,500 questions and utilized the Inter-library Loan services for patrons on 784 occasions. The Bloomfield Library presently has 33,101 patrons. Library cards are free for anyone living, working, attending school or owning property in Bloomfield.

Programs

In addition to providing the services of a typical library, Bloomfield offers an extensive and impressive assortment of programs and activities for children and adults, including the following:

- Pre-School Story Hour
- Tax Assistance Programs
- Arts and Crafts Workshops
- Poetry, Book and Summer Reading Clubs
- Job and Support Networking Group
- Book Fair
- ESL Classes
- Film, Song and Music Programs

- Book and Art Exhibits
- Lyme Disease Program
- Library Helpers Program
- Eyes for the Needy Collection Box
- Free Monthly Blood Pressure Screening
- Author Luncheon

COMMUNITY DEVELOPMENT and INSPECTIONS

Organization/Staffing

The Department of Community Development and Inspections is responsible for enforcing the State mandated Uniform Construction Code (UCC), Township mandated ordinances concerning residential and non-residential buildings and zoning, and is the Grantee for approximately \$3.6 million annually in Federal funds for Community Development Block Grants (CDBG) and Section 8 Housing Grants.

The department has nine full-time, and six part-time staff. It contracts for electrical and elevator inspections. The Director of the department has recently retired.

Recommendation: The retirement of the Director gives the Township the opportunity to explore other options for management of the department. We suggest that the Township consider placing the Township Engineer in control of this department, assuming the separation of the current public works and engineering functions. Though we have previously raised concerns over the current workload and responsibilities of the Township Engineer, and consequently suggested the separation of those functions, we believe that management of this department is more feasible and practical. Since the responsibilities of the staff are almost entirely guided by State and local codes and staff members have been professionally trained, direct daily supervision of staff is not as great an issue as it is in the public works function. This would also be consistent with our recommendation to transfer the planning and zoning functions to this department. We therefore believe this would be a viable option for consideration that would save the Township money in terms of salary and benefits for a director other than the Engineer. This cost was approximately \$107,120 in 1995. Even using a lesser salary figure for a new employee as an estimate, the Township could save approximately \$91,000 in salary and benefits.

Cost Savings: \$91,000

Financial

We compared the operating costs of the department's various inspection and code enforcement functions with the revenues received to identify the degree to which these revenues offset costs. Cost data was available for both the State mandated UCC work and the Township mandated ordinances. However, within these two major groupings data was not always available to identify the costs of each type of inspection or enforcement

effort. Staff often complete many types of inspections and enforcement work without always allocating their time by each inspection. In order to analyze costs in selected areas, we relied on estimates of time and cost from the Control Person and other staff.

As noted, the department uses spreadsheets to allocate costs among the various inspection and enforcement functions. This allocation is used in deciding, among other things, the amount of fees to charge. However, in calculating total costs, the Township does not include the costs of either fringe benefits (estimated at 30% of salary costs) or equipment and supplies (estimated at 5% of total budget). This significantly understates operating costs and provides an artificially low base from which to decide on fee amounts. Fees designed to cover all or a portion of costs, therefore, are lower than they should be. Any difference between this artificially low fee and the true costs is paid for by general tax revenues rather than by fees charged to those who either receive the benefit of the inspection or generate costs through non-compliance.

Recommendation: We recommend that the Township establish fee amounts that reflect the total costs to perform its work. Total costs should include fringe benefit, equipment and supply costs. With total costs identified, the Township could set more accurate fee amounts and, therefore, place the costs more fairly on those who either directly receive the service or who generate costs through non-compliance.

Uniform Construction Code (UCC)

UCC inspections are required by State statute. The municipality can charge fees to cover the actual costs of these inspections, which we estimate to be \$228,603. We compared these costs to revenues and found that costs exceeded revenues by just over \$52,000. Specific cost data was available for plumbing, fire protection, electrical and elevator inspections. Noted below are those inspections that make up the \$52,000 difference.

We found that nearly 40%, or \$20,800 of this \$52,000 difference occurs in fire protection. Our calls to surrounding towns indicates that Bloomfield's Fire Inspection fee is roughly similar to that of surrounding towns.

Another 14%, or \$7,280 of this \$52,000 difference between costs and revenues occurs in plumbing inspections. Calls to surrounding towns indicates that Bloomfield's plumbing inspection fee is roughly similar to surrounding towns.

The remainder of \$52,000 in excess costs (46%, or \$23,920) is distributed among the various UCC inspections such as Residential and Commercial Alterations, New Construction and Certificates of Occupancy. Our survey of surrounding towns indicates that these fees are roughly comparable to Bloomfield's.

Recommendation: We suggest that the Township consider raising its Fire Inspection fees to cover the full costs of carrying out these inspections. Increasing fees to cover current costs would increase revenues by \$52,636 and more fairly distribute the costs to those who receive the benefits of these inspections.

Revenue Enhancement: \$52,636

Township Mandated Inspections and Code Enforcement

The Township has enacted various building and zoning code requirements that are not mandated by State statute. We estimate the annual cost of these efforts to be \$218,785 in 1995. These efforts are categorized into three areas: Certificate of Continued Occupancy (\$46,000); Various License or Fee Activities (\$15,000); and Code Enforcement (\$157,000).

Although these efforts are not mandated by State law, our survey of towns with similar size and population density indicates that they have similar code and inspection requirements. The towns view these requirements as tools to help them maintain a minimum standard of safety, appearance and condition of the housing, commercial and industrial building stock.

The revenues collected from these efforts total only \$24,449 leaving a difference of \$148,500 to be paid through general tax revenues. Nearly all of this difference (90% or \$133,092) occurs in the Code Enforcement area.

Code Enforcement is further divided into three functions (1) residential housing (2) zoning and (3) non-residential property maintenance.

Residential housing code enforcement includes non-compliance issues such as residents not picking up rubbish, improper or inadequate lighting or hot water, yard cleanliness and water supply. Often these inspections result from complaints by neighbors or from observations of departmental personnel during their regular duties. Operating costs for this function totaled approximately \$100,000.

Zoning code enforcement includes zoning code violations such as illegal use of a building, illegal parking of commercial vehicles and illegal fences. Operating costs totaled \$50,000.

Non-residential property maintenance includes items such as pot holes in parking lots, peeling paint or similar conditions in commercial or industrial buildings or on vacant lots. Operating costs totaled \$7,000.

The large disparity between the costs of municipal code enforcement and revenues received through fines is due to the following.

The vast majority of code enforcement cases involve individuals who, once they are notified of their non-compliance, will quickly repair or correct the problem. These cases require minimal effort and, in turn, minimal cost to the Township. Departmental staff indicate that of the total code enforcement effort, only 20% goes to such cases. On the other hand, a small number of cases require considerable effort, usually court action, to gain compliance. This small number of cases result in 80% of the effort and costs in code enforcement.

The only revenue brought in by code enforcement is from court imposed fines on the small number of cases who do not voluntarily comply. It is reasonable to conclude that the fines imposed on these cases should bear some relationship to the costs that the Township incurred in each case. Otherwise, the Judge cannot make an informed decision regarding the fine amount, the Township cannot collect a reasonable fine, and the fine cannot serve as a deterrent to future or repeat offenders. Unfortunately, the court imposes fines on these cases without any data on the costs incurred by the Township.

Recommendation: We suggest that the Department of Community Development and Inspections develop a method to easily track the amount of staff effort that goes into each code enforcement case. This information should be provided to the Judge for consideration when setting the fine amount and should be used to decide whether fines should be increased to cover a larger portion of these costs. If fines imposed were to reflect actual costs incurred, an estimated \$157,000 could be generated based on operating and salary costs.

Revenue Enhancement: \$157,000

The second area of non-state mandated inspections and code enforcement is a “Certificate of Continued Occupancy.” This review is required when re-selling a property in Bloomfield. It currently costs the Township approximately \$46,244 to complete these inspections. However, the revenues received from fees totals \$32,530, or \$13,714 less than it costs. Our survey of surrounding towns indicates that Bloomfield’s fee is roughly comparable.

Recommendation: We recommend that the Township increase the fees for Certificates of Continued Occupancy to cover the actual costs to complete these inspections. This would increase revenue by \$13,714.

Revenue Enhancement: \$13,714

The third area of non-State mandated inspections or code enforcement is miscellaneous inspections. This includes fences, garage licenses, Certificates of Habitability (for apartment buildings with five or more apartments, vacant apartments must be inspected prior to re-occupancy), Certificates of Occupancy for Zoning (ensures that when a business is sold, the new one meets the Zoning Code), etc.

Based on the number of these inspections, the Control Person estimates that it costs the Township approximately \$15,000 to complete these inspections. Revenues from these inspections, however, total \$13,306, or \$1,694 less than it costs to complete them. Our survey from surrounding towns indicates that Bloomfield’s fees are roughly comparable.

Recommendation: The Township should consider raising its fees to cover the costs of inspection for fencing, garages, Certificates of Habitability and Certificates of Occupancy for Zoning. Raising these fees would generate an additional \$1,694 in revenue.

Revenue Enhancement: \$1,694

SHARED SERVICES

Municipal Library

Located in the Children's Library are: a small stage and auditorium for theater related activities, several computers, children's reading areas, rooms which could be used for art work, etc. Also, the close proximity of this Library to the Civic Center would make it an ideal place for "senior citizen/children" recreational activities.

Recommendation: The Recreation Department could utilize the municipal library (particularly the Children's Library) for some of its activities. Though space in the Children's Library is not always available, nor is it large enough to accommodate large groups of children/adults, we believe that existing programs could be enhanced and varied by using these Library facilities at no significant additional cost to the municipality.

Recreation

In the area of recreation, there are presently no shared service arrangements with other area municipalities. Enhancing participation through such a practice could increase revenue and/or mitigate costs by charging additional fees by participant and/or by municipality.

Recommendation: We encourage the Township's investigation of possible shared service agreements with other municipalities.

There are a variety of services and activities currently "shared" in Bloomfield, not only involving the School District and the municipality, but also Bloomfield College, other school districts and private entities. These arrangements have been made possible because of the efforts of administrative officials in the municipality, school district and college and we applaud their successful attempts at fostering cooperative agreements that lead to service improvements and/or cost efficiencies. The following is a brief description of these current cooperative arrangements and recommendations for other possibilities.

School District/Township

The School District uses municipal facilities, such as parks, fields and tennis courts quite extensively without charge, while the municipality prepares all fields. The municipality also utilizes school facilities and at times is charged a fee for such use. Such fees total approximately \$15,000 per year.

The School District provides parking for Township residents on school property during municipal snow removal efforts in an effort to keep municipal roads clear.

Heavy equipment is shared between the School District and Township when needed, which avoids duplication of equipment purchases and maintenance.

There is joint gasoline and salt purchasing between these two entities.

The Township provides recreational grant funds to the District for the Special Olympics.

The Township and School District coordinate activities for the Youth Week Track and Field competition.

Township/Bloomfield College/School District

Bloomfield College provides reduced tuition rates for police officers and fire fighters and is now in the process of arranging for similar benefits for Bloomfield teachers enrolled in a Masters program. Through the Bloomfield School District, the Masters program tuition reduction may also be extended to teachers in other districts in the future.

School District/Other

The School District has pursued shared transportation arrangements with other districts and the Essex County Education Commission, and has also participated in cooperative purchasing arrangements with other districts.

In addition, the District has had a great deal of success with public/private partnerships. These include the Health Careers program with Hoffman LaRoche and Passaic General Hospital (now seeking to include other districts in a consortium), a proposed Interactive Television (ITV) consortium, and a proposed program involving local merchants in supporting a student awards program.

Recommendation: We were very impressed with the opportunities in Bloomfield Township for shared service arrangements involving the School District, Township, Bloomfield College and private industry. We suggest that these entities take advantage of the positive relationships that have developed to provide services at cost efficient levels. To that end, we make the following suggestions for shared service arrangements that could be pursued. The focus is not only on those items that could be taken over by a particular entity and provided to others, but it is also on simply defining the value of the services and activities “shared” while getting appropriate “credit” for such efforts to equalize the burden of service provision. Formal written agreements should be developed to document the cost and benefit derived from such activities, particularly because of the combination of public and private funding sources.

We suggest that the School District, College and Township investigate the possibility and feasibility of:

- utilizing Community Development Block Grant funds for facilities for individuals with disabilities, for socio-economic and cultural diversity training and awareness seminars, and utilizing Clean Communities Grant funds for joint litter control activities;
- securing one food service vendor for “bulk purchasing” for school, college and senior citizen meal services;
- work-study, internship programs and career seminars in school and public administration, and sharing expertise for school-to-work programs;

- coordinating an enhanced approach to downtown redevelopment efforts which would include merchants; utilizing the Business Department at Bloomfield College for revitalization assistance; continuing the college's sponsorship efforts for Chamber of Commerce training sessions;
- activities involving computer training, programming, access, support, closed circuit teaching;
- joint training on legal matters regarding personnel policies, and other similar training needs, such as Right-To-Know compliance and CPR;
- joint library services, programs and computer access;
- shared recreational facilities;
- shared garbage, recyclables and snow removal activities; and
- joint health-related services. We believe that the Township has an opportunity to explore a significant combination of health related services with the School District, and possibly Bloomfield College. For example, while there are existing restrictions and limitations to all three entities joining together in some form of a Health Insurance Fund or other single organizational entity, all three entities could pool their resources to seek out health related services through "bulk purchasing" from vendors. We suggest that a variety of health services, other than just health benefits, might be applicable for such an arrangement. These services could include many of the services now performed by the Township's Health Department, the Emergency Service Squad functions and workers' compensation related medical services. Appropriate agreements between all three entities could be designed for administration and management responsibilities of this "managed care" hybrid arrangement. The intent of this arrangement would be to secure and combine the greatest number of health related services for the lowest available price, while not compromising the quality of the services. Individual pieces of the health related services "package", instead of the entire "package" could also be explored.

There is also an opportunity for the District to pursue joint textbook purchasing with other districts or with the State (see Statutory and Regulatory Reform recommendation).

Given the technical expertise of the school district maintenance staff as electricians, plumbers, carpenters and other tradespeople, we suggest that the Township and School District review the possibility of shared service arrangements in these areas in the future. We acknowledge, however, that at the present time the work load in the school district probably prohibits significant sharing of these services, but may allow for a consulting type of service to the Township for particular contracting needs related to these disciplines.

STATUTORY AND REGULATORY REFORM

It is common for local officials to blame tax increases on “State mandates.” Each local budget review team is charged with the responsibility of identifying regulatory or statutory mandates that have an adverse impact on the cost of local government. The findings summarized below will be reviewed by the appropriate State agency for the purpose of initiating constructive change at the State level.

Accrued Liability

Accrued liability for unused vacation and sick time paid out in the form of terminal leave payments upon employee retirements is a highly variable, yet potentially costly item that municipalities are currently unable to include in their budgets. There are approximately 10 - 15 retirements per year in Bloomfield. Based on the final expenditure report for 1995, terminal leave payouts for sick and vacation time alone amounted to \$128,784. The rate at which this liability increases or decreases each year will be determined by the changes in the pay scale and the amount of vacation and sick time accrued by the employee. Nevertheless, when an employee retires this liability immediately becomes a payable expense. It would be advisable to prepare for this expense by setting money aside in a “reserve for accrued liabilities.”

Recommendation: It is recommended that the existing accounting and budget procedures be amended to permit agencies, upon written approval by the Director of the Division of Local Government Services, to establish a reserve for accrued liabilities. This provision would be consistent with the generally accepted accounting principles recently made available to municipalities on a voluntary basis.

Dog License Fees

There is a \$12 cap on Dog License Fees (including the \$4.30 State Fee). With the cap removed, and recognizing that there are approximately 2,000 dogs in Bloomfield, raising the fee to \$25 could realize an increase of \$26,000 annually and fully offset the cost of animal control services

Recommendation: This cap should be removed and the fee should be allowed to reflect the cost of animal control in each municipality.

Department of Personnel: Maximize Job Title Flexibility

With the need to reduce the costs of government, many vacant positions are not being filled. The remaining employees must fill in the gaps, often doing work outside their specific title, or work only nominally related to their titles. In the attempt to balance the need to protect employees from arbitrary job assignments yet provide management flexibility in assigning work, the Department of Personnel has developed its “broad banding” program for very generic titles and some “dual title” positions for different, but somewhat related responsibilities, such as the “Parking Meter Maintenance/Parking Enforcement” title noted earlier in this report. In addition, we believe there are opportunities for broad banding of titles or dual titles in municipal libraries, such as

Supervising Librarian and Principal Librarian and their assistant positions and in public works departments, such as “Repairperson” for laborers and drivers.

Recommendation: We suggest that the Department of Personnel expand the test program and the availability of broad banding and dual titles and survey municipalities to develop additional possibilities to meet local needs.

State Specifications for Copying Service

Discussions with personnel from the State’s Cooperative Purchasing Program indicate they would be interested in working with the State Library to develop specifications to bid the State Library’s fee per copy copier services contract. This contract could then be used by local governments.

Recommendation: We suggest that the State’s Cooperative Purchasing Program officials pursue this course of action with State Library officials to bring about possible cost savings to local governments through cooperative purchasing of this service.

Tort Law Reform

Claims against public entities are brought under New Jersey’s Tort Claims Act (N.J.S.A. 59:1-1 et seq.). One section of this act provides that no damages shall be awarded against a public entity or public employee for subjective types of damages, such as pain and suffering, except in aggravated circumstances (N.J.S.A. 59:9-2d). These circumstances involve permanent lose of a bodily function, permanent disfigurement or dismemberment where the medical treatment expenses exceed \$1,000. Cases involving expenses of less than \$1,000 are not eligible for the pain and suffering award, which in Bloomfield amounted to an estimated \$10,000 each for approximately five cases upon which that limit applied.

The limitation was set in 1972 and has not been increased in almost 25 years. If the limit were increased to keep pace with inflation, in 1996 it would be \$3,600.

Bloomfield’s Assistant Township Attorneys (former and current) estimate that if the standard were increased to \$3,600, approximately five cases per year would be eliminated from receiving awards for subjective damages. This would reduce total awards paid by the Township by roughly \$50,000 per year. In addition, it would reduce attorney and clerical time reviewing material, filing motions, etc.

Recommendation: We suggest that this issue be reviewed by the legislature to consider developing a standard to reflect current inflationary trends.

Energy Efficiency

As documented in this report, there is a significant need to provide energy efficiency programs and standards on a state-wide basis.

Recommendation: The State should review the potential savings if all local governments improved their efficiency in using all forms of energy. It should then coordinate with vendors, the N.J.D.E.P., county and local government, and the EPA to determine the best approach needed for local governments to achieve these savings.

This may require restarting efforts to develop standards for electrical energy audits and improvement plans. The State should also help to identify local government entities that have engaged vendors to improve energy efficiency and distribute this information to local governments and school districts.

Shared Fire Services

Municipalities with paid fire departments face challenges to consolidation of fire service with surrounding municipalities. Little consolidation occurs either in paid or volunteer fire services.

Recommendation: The State should encourage consolidation of fire services by enacting legislation to develop fire services from a county perspective, as is done in Maryland and Virginia and many other states.

Retiree Benefits

Under current law, N.J.S.A. 52:14-17.38, municipalities in the State Health Benefits Plan who have adopted Chapter 88, providing for the provision of health benefits to retirees, cannot choose to alter this benefit prospectively for future retirees unless they take it away from all retirees or they leave the State Health Benefits Plan altogether. This restricts current governing bodies from making cost saving decisions regarding this benefit. In many cases, this benefit was granted some time ago when the total cost was only a fraction of the cost it is today. In Bloomfield Township, alone, the cost of retiree benefits in 1995 for approximately 184 retirees was \$705,724.

Recommendation: We suggest that consideration be given to amending the State Health Benefit Plan regulations to permit local governments to make their own determination to alter this benefit without having to completely change the provision of their health benefit program, i.e. leave the State Health Benefits Plan.

PATF 1 Welfare Account

Municipalities are not permitted to close PATF 1 accounts in municipal welfare departments. Reduction of such accounts is possible, but only with permission from the New Jersey Division of Family Development. These accounts often hold substantial funds that remain largely unused, yet unavailable to the municipality for active programs or services.

Recommendation: Since substantial sums of money are left idle in these accounts and unavailable for other municipal purposes, we suggest that the State allow municipalities to close these accounts and utilize these funds for other purposes.